



1015 Cultural Park Blvd.
Cape Coral, FL 33990

AGENDA

MEETING OF THE CITY OF CAPE CORAL AUDIT COMMITTEE

January 13, 2021

1:30 PM

Council Chambers

- 1. Meeting called to order**
 - A. Chair Stevens
- 2. ROLL CALL**
 - A. Austin, Hayden, Perez-Zayas, Stevens, and Wolfson
- 3. CHANGES TO AGENDA / ADOPTION OF AGENDA**
- 4. Public Input**
- 5. APPROVAL OF MINUTES**
 - A. Meeting Minutes - December 9, 2020
- 6. BUSINESS**
 - A. Election of Chair and Vice Chair
 - B. External Audit Services RFP
 - C. 1. Carr, Riggs & Ingram, LLC 1:40 PM - 2:10 PM
 - D. 2. CliftonLarsenAllen, LLP 2:20 PM - 2:50 PM
- 7. Member Comments**
- 8. Time and Place of Next Meeting**
 - A. The next Audit Committee meeting will be held on Wednesday, February 10, 2021 at 1:30 p.m. in Council Chambers
- 9. Motion to Adjourn**

In accordance with the Americans with Disabilities Act and Section of 286.26, Florida Statutes, persons with disabilities needing special

accommodation to participate in this meeting should contact the Office of the City Clerk at least forty-eight (48) hours prior to the meeting. If hearing impaired, telephone the Florida Relay Service Numbers, 1-800-955-8771 (TDD) or 1-800-955-8770 (v) for assistance.

If a person decides to appeal any decision made by the Board/Commission/Committee with respect to any matter considered at such meeting or hearing, he will need a record of the proceedings, and for such purpose, he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based.

Item Number: 5.A.
Meeting Date: 1/13/2021
Item Type: Approval of Minutes

AGENDA REQUEST FORM
CITY OF CAPE CORAL



TITLE:

Meeting Minutes - December 9, 2020

SUMMARY:

ADDITIONAL INFORMATION:

ATTACHMENTS:

Description	Type
▫ Meeting Minutes - December 9, 2020	Backup Material

**MINUTES OF THE MEETING OF THE
CITY OF CAPE CORAL AUDIT COMMITTEE**

Wednesday, December 9, 2020

COUNCIL CHAMBERS

1:30 P.M.

The meeting was called to order at 1:30 p.m. by Chair Stevens.

ROLL CALL: Chair Stevens, Vice Chair Austin, Committee Members Hayden, and Perez-Zayas were present. Committee Member Wolfson participated remotely.

Vice Chair Austin moved, seconded by Committee Member Hayden, to approve the remote participation of Committee Member Wolfson. Voice Poll: All "ayes". Motion carried.

ALSO PRESENT: Andrea Russell, City Auditor
Christopher Phillips, Interim Financial Services Director
Wanda Roop, Procurement Manager
Alicia Pearce Smith, Procurement Specialist

CHANGES TO AGENDA / ADOPTION OF AGENDA

Vice Chair Austin moved, seconded by Committee Member Perez-Zayas, to approve the Agenda, as presented. Voice Poll: All "ayes". Motion carried.

Public Input

No speakers.

Approval of Minutes

Meeting Minutes - November 18, 2020

The minutes from the Audit Committee meeting of November 18, 2020 were presented for approval.

Committee Member Wolfson moved, seconded by Vice Chair Austin, to approve the Minutes for Wednesday, November 18, 2020, as presented. Voice Poll: All "ayes." Motion carried.

BUSINESS

External Audit Services RFP

Procurement Manager Roop reviewed the following:

- Confidentiality and Conflict of Interest Form

- Discussion regarding the proposals and permitted scores
- Scoring criteria and ranking

Discussion held regarding the Selection Team and voting.

Chair Stevens requested clarification on the local vendor designation scoring.

Procurement Manager Roop clarified how the local vendor designation would be calculated.

Chair Stevens ranked the firms as follows: CliftonLarsenAllen; Carr, Riggs & Ingram; Mauldin & Jenkins; Purvis, Gray and Company; and MSL.

Committee Member Perez-Zayas ranked the firms as follows: MSL; CliftonLarsenAllen; Purvis, Gray and Company; Carr, Riggs & Ingram; Mauldin & Jenkins.

Committee Member Hayden ranked the firms as follows: CliftonLarsenAllen; Mauldin & Jenkins; MSL and Carr, Riggs & Ingram tied for #3; and Purvis, Gray and Company.

Vice Chair Austin ranked the firms as follows: Mauldin & Jenkins; MSL; Carr, Riggs & Ingram; Purvis, Gray and Company; CliftonLarsenAllen.

City Auditor Russell discussed the MSL structure and experience with auditing of Charter Schools. The Charter School currently requires an audit for the CAFR and the Internal Funds.

Committee Member Hayden inquired about the total number of hours for MSL.

City Auditor Russell responded they had 800 hours for auditing of CAFR.

Committee Member Hayden further asked City Auditor Russell how hours are valued and stated CliftonLarsenAllen had the most hours at 1,600.

City Auditor Russell informed the Committee it depends on the team and staff assigned. If the hours are low, was it accurate or rushed. City Auditor Russell reiterated that the Charter School audit requires different requirements.

Vice Chair Austin inquired about past Evaluation Teams and the Audit Committee's participation.

City Auditor Russell stated due to Legislation, employees may not be involved in the selection of the External Auditor. Employees may advise but cannot score.

Discussion held regarding:

- Use of Cape Coral as a sample in the Reports

- Standardized areas of the Reports such as scope and methodology
- Requirements and guidelines of the RFP
- CPE requirements for fraud

Procurement Manager Roop tallied the Committee's rankings and provided the preliminary rankings as follows:

- 1) CliftonLarsenAllen LLP, Fort Myers, FL
- 2) Carr, Riggs & Ingram, LLC, Sarasota, FL
- 3) MSL, PA, Tampa, FL
- 4) Mauldin & Jenkins, LLC, Bradenton, FL
- 5) Purvis, Gray and Company, LLP, Sarasota, FL

Procurement Manager Roop further stated that these rankings were preliminary, and the Committee could have the top two or three firms meet with the Audit Committee to answer questions. The Audit Committee could then rank the firms after that meeting.

Discussion held regarding the local professional points and ranking scoresheets.

Chair Stevens inquired as to who makes the final decision.

Procurement Manager Roop stated the Audit Committee would decide the ranking. Once the ranking has been finalized, the Procurement Manager and City Auditor would negotiate the contract. The contract would then be taken to City Council for a final decision.

Committee Member Perez-Zayas stated it was her perception the Committee was not comfortable with CLA and it would be beneficial to bring the top two firms in to answer questions.

Vice Chair Austin agreed it would be beneficial to question the firms.

Committee Member Hayden stated the question and answer session with the firms could be helpful. Meeting the firms in person would assist the Committee in the decision process. He inquired if a meeting with the top two firms would be a closed meeting and was it acceptable for the Audit Committee to meet in a closed session.

Procurement Manager Roop informed the Committee that the Statute is clear that if there is negotiation, presentations, or interviews, the meeting is not open to the public. The meeting would be closed for the section in which the presenters would participate. All other areas of the meeting would be open to the public. When both presenters are gone, the meeting would be opened to the public once again.

City Auditor Russell stated CliftonLarsenAllen's price could be higher because they are familiar with the time involved.

Chair Stevens asked Committee Member Wolfson if he had any comments.

Committee Member Wolfson stated he did not, and he agreed that the top two firms should present to the Audit Committee.

Chair Stevens stated he was comfortable with ranking CliftonLarsenAllen as the number one ranking firm.

City Auditor Russell stated that she had a concern regarding Carr, Riggs & Ingram's timeline.

Vice Chair Austin inquired if City Auditor Russell had any other concerns.

City Auditor Russell stated she had a question regarding the hours Mauldin & Jenkins listed under pensions. Purvis, Gray and Company had Charter School experience and their timeline was in sync with the City's timeline.

Committee Member Hayden inquired if Chair Stevens was making a motion to approve the ranking as is.

Chair Stevens stated he was not.

Committee Member Hayden stated that he was going to motion to bring in the top two firms next month.

Vice Chair Austin agreed.

Committee Member Hayden motioned, seconded by Vice Chair Austin, to bring in the top two firms (CliftonLarsenAllen LLP and Carr, Riggs & Ingram, LLC for the January 2021 meeting). Committee polled as follows: Austin, Hayden, Perez-Zayas, and Stevens "aye". All "ayes." Motion carried.

Committee Member Perez-Zayas left the meeting at 2:50 p.m.

Discussion held regarding parameters for the Notice to Proposers to include:

- Timeline
- Plan
- Number of single audits
- Dollar value associated with the audits
- Staffing
- Hours

Discussion held regarding length of the presentations and question and answer period.

Procurement Manager Roop confirmed that there will be a 20-minute presentation time with a 10-minute question and answer period at the next Audit Committee meeting.

Discussion held regarding meeting date and time.

City Auditor's Office Update Report – City Auditor Russell

City Auditor Russell reviewed the 11/17/2020 through 12/08/2020 Update of City Auditor's Office Activities dated December 8, 2020, which was emailed to the Committee and was posted online. The report included the following:

In Progress - External Auditors Clifton Larson Allen (CLA)

- Charter School CAFR FY20-CLA-External Auditors
- Charter School Internal Funds FY20-CLA-External Auditors
- City CAFR FY20
- Pension Plan Audits Police, Fire and General FY20

In Progress – Internal Staff:

- UCD Warehouse Inventory Process Audit
- Citywide Travel
- Public Works Utility Expansion Project Management
- Administrative Regulations (AR) Audit
- Post Audit Review – Community Development Code Compliance
- Post Audit Review – 2nd Payroll Review
- Post Audit Review – Overtime Hours and Authorization
- Post Audit Review – Procurement
- Post Audit Review – Parks and Recreation Special Events Audit
- Post Audit Review – Fire Emergency Management Audit
- Charter School Cash Handling Follow-up

Other

- IT Auditor scheduled to start 12/14/2020.
- External Audit RFP evaluation process in progress.
- Currently have several audit Hotline calls in progress.
- Staff started preparation and training for TeamMate audit software implementation.

FY 2021 YTD Follow Up Action Register:

- Attachment A as of December 8, 2020

Professional Development:

- No CPE training during this reporting period.

Focus for the next period:

The City Auditor and staff:

- Internal staff will:
 - Continue work on audits and special projects in progress and assign FY2021 audits per audit plan.
 - Continue tracking recommendations for post audit reviews.
 - Focus on implementation procedures for TeamMate.
 - Focus on monitoring status and coordinating FY20 City, Charter School and Pension audits.

City Auditor Russell discussed the following:

- Charter School and Pension Plans are on target
- CAFR and Charter School
- UCD (Utilities Collection Distribution) Warehouse Inventory Process Audit – anticipated completion January 2021
- Utilities Expansion Audit on target for completion
- Emergency Management Audit – extension granted due to new software
- Charter School Cash Handling – tests to begin end of December
- IT Auditor starts on 12/14/2020
- TeamMate audit software implementation

Member Comments

None.

Time and Place of Next Meeting

The next Audit Committee meeting will be held on Wednesday, January 13, 2021, at 1:30 p.m. in Council Chambers.

Motion to Adjourn

There being no further business, the meeting adjourned at 3:08 p.m.

Submitted by,

Rose DePaula
Recording Secretary