



1015 Cultural Park Blvd.
Cape Coral, FL 33990

AGENDA

MEETING OF THE CITY OF CAPE CORAL AUDIT COMMITTEE

May 12, 2021	1:30 PM	Council Chambers
---------------------	----------------	-------------------------

1. Meeting called to order

A. Chair Austin

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 - April 14, 2021

6. BUSINESS

A. City Auditor's Office Update Report 4/13/2021 - 5/11/2021 - City Auditor Russell

B. IRS Update - Interim Financial Service Director Phillips

7. Member Comments

8. Time and Place of Next Meeting

A. The next Audit Committee meeting will be held on Wednesday, June 9, 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: 5/12/2021
Item Type: Approval of Minutes

AGENDA REQUEST FORM
CITY OF CAPE CORAL



TITLE:

Meeting Minutes - April 14, 2021

SUMMARY:

ADDITIONAL INFORMATION:

ATTACHMENTS:

Description	Type
Meeting Minutes - April 14, 2021	Backup Material

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

Wednesday, April 14, 2021

COUNCIL CHAMBERS

1:30 P.M.

The meeting was called to order at 1:31 p.m. by Chair Austin.

ROLL CALL: Committee Members Austin, Hayden, Stevens, and Wolfson were present. Committee Member Perez-Zayas was excused.

ALSO PRESENT: Andrea Russell, City Auditor
Christopher Phillips, Interim Financial Services Director

CHANGES TO AGENDA / ADOPTION OF AGENDA

Committee Member Stevens moved, seconded by Committee Member Hayden, to Adopt the Agenda, as presented. Voice Poll: All “ayes”. Motion carried.

Public Input

No speakers.

Approval of Minutes

Meeting Minutes – February 10, 2021

The minutes from the Audit Committee meeting of February 10, 2021 were presented for approval.

Committee Member Stevens moved, seconded by Committee Member Hayden, to approve the Minutes for the February 10, 2021 meeting, as presented. Voice Poll: All “ayes”. Motion carried.

BUSINESS

City Auditor’s Office Update Report – 3/10/2021 – 4/13/2021
City Auditor Russell

Chair Austin turned the floor over to City Auditor Russell.

City Auditor Russell reviewed the 3/10/2021 through 4/13/2021 Update of City Auditor’s Office Activities dated April 13, 2021, 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 Internal Funds FY20 - CLA - External Auditors
- City Annual Financial Statement Report FY20
- Restoration Pension Plan FY20
- Pension Plan Audits Police, Fire and General FY20

Completed – Internal Staff:

- Citywide Travel Audit
- Post Audit Review Overtime Hours and Authorization Audit
- Post Audit Review Charter School Best Practices
- Post Audit Review - 2nd Payroll Review
- Post Audit Review – Procurement
- Post Audit Review – Parks and Recreation Special Events Audit

In Progress – Internal Staff:

- UCD Warehouse Inventory Process Audit
- Charter School Cash Processes Audit
- IAFF Health Insurance Trust Account Analysis
- Post Audit Review – 2nd Payroll Review
- Post Audit Review – Procurement
- Post Audit Review – Parks and Recreation Special Events Audit
- Post Audit Review – Overtime Hours and Authorization
- Post Audit Review – Fire Emergency Management Audit
- Post Audit Review – Administrative Regulations Audit

Other

- Select engagement letters are scheduled to go before Council on Consent Agenda for approval due to language changes proposed by pension boards.
- Currently have several Audit Hotline calls in progress.

FY 2021 YTD Follow Up Action Register:

See Attachment A as of April 13, 2021

Professional Development:

Department staff attended training webinars and seminars during this period on:

- How To Write An Audit Report Finding - video course – Yellowbook-CPE
- Tackling a Challenging Audit Objective - video course – Yellowbook-CPE
- Data Analytics: The Magic Tool of Fraud Detection – Yellowbook-CPE
- Leading an Audit Project – Yellowbook-CPE

Focus for the next period:

The City Auditor and staff will:

- Continue work on audits, special projects, and assign FY21 audits.
- Continue tracking recommendations for post audit reviews.

- Monitor status of FY20 City, Charter School and Pension audits.
- Facilitate GASB 87 work to be completed by CLA.

City Auditor Russell discussed the following:

- Charter School Internal Funds Audit FY20 is complete—CLA to complete reallocation
- City Annual Financial Statement – June 2021 completion
- Restoration Pension Plan FY20 – anticipate completion mid-April 2021
- Pension Plan Audits Police, Fire, and General FY20 – final review of statements

Discussion held regarding Charter School Audit as follows:

- Internal funds require an audit
- Charter School fiscal year ends in June
- General statements are complete and issued in March
- Cash Audit in progress

City Auditor Russell continued with the review as follows:

- Citywide Travel Audit issued on March 22, 2021
- Post Audit Review Overtime Hours and Authorization Audit - outstanding recommendations closed
- Charter School Best Practices 2020-01d – incorporated into the Charter School Cash Handling Process Audit
- Post Audit Review – 2nd Payroll Review has been closed
- Post Audit Review – Procurement – closed
- Special Events Audit – policy and procedure - issued October 2020
- Scope of Special Events Processes and Transactions Audit was October 1, 2018 to March 31, 2020
- UCD Warehouse Inventory Process Audit – identified areas for improvement and suggested processes
- Completed walk-through with Lee County UCD
- Reached out to Naples UCD – no response from Naples UCD
- Charter School Authority Cash Process Audit – refund and fundraising testing in process
- Firefighter's Union Health Insurance Trust Account – Unit President requested a review of the Trust Account and anticipate completion by end of April 2021
- TeamMate migration completed as of April 1, 2021
- Parks and Rec to be test subject on TeamMate

Committee Member Stevens inquired about the status of the Post Audit Payroll Review.

Interim Financial Services Director Phillips responded as follows:

- IRS Form 941 electronic filing account set up
- City contact updated with the IRS and awaiting confirmation
- Items were submitted on time

- Delays due to IRS not available during COVID-19
- New Payroll Supervisor onboard

Interim Financial Services Director Phillips will provide an update to the Committee at the May 2021 meeting.

City Auditor Russell continued the review of the CAO Report as follows:

- Met with Procurement Manager regarding proposed language updates on the Fire and General Pension Plans
- Proposed language updates scheduled for City Council Consent Agenda either May 5, 2021 or May 19, 2021
- Audit Hotline call on Charter School Audit has been addressed

Focus for the next period:

- UCD Warehouse
- Parks and Rec GO Bond
- CRA request on audits

Discussion held regarding issue date for Administrative Regulations Audit.

Member Comments

None.

Time and Place of Next Meeting

The next Audit Committee meeting will be held on Wednesday, May 12, 2021, at 1:30 p.m. in Council Chambers.

Motion to Adjourn

There being no further business, the meeting adjourned at 2:03 p.m.

Submitted by,

Rose DePaula
Recording Secretary

Item Number:	6.A.
Meeting Date:	5/12/2021
Item Type:	BUSINESS

AGENDA REQUEST FORM
CITY OF CAPE CORAL



TITLE:

City Auditor's Office Update Report 4/13/2021 - 5/11/2021 - City Auditor Russell

SUMMARY:

ADDITIONAL INFORMATION:

ATTACHMENTS:

Description	Type
▢ CAO Report 4/13/2021 - 5/11/2021	Backup Material



CITY AUDITOR'S OFFICE

TO: Mayor Gunter and Council Members

FROM: Andrea R. Russell, City Auditor *AR*

DATE: May 11, 2021

SUBJECT: Update of City Auditor's Office Activities, 4/13/2021 – 5/11/2021

In Progress – External Auditors Clifton Larson Allen (CLA)

- Charter School Internal Funds FY20 – CLA – External Auditors: *Waiting on CLA resource allocation to finish due to delays on the part of the Charter School in finalizing information. NO FURTHER UPDATES FROM PRIOR MONTH STATUS*
- City Annual Financial Statement Report FY20: *CLA working through all information provided by the city. Anticipate June completion due to the addition of the Restoration Pension Plan information. NO FURTHER UPDATES FROM PRIOR MONTH STATUS*
- Restoration Pension Plan FY20: *Foster & Foster are in the process of preparing statements and working with CLA to provide all items required by GASB 73. Information received. No further action needed as this plan will be included with the City Financial Statement Report.*
- Pension Plan Audits Police, Fire and General FY20: *Drafts have been distributed and awaiting upcoming individual pension board meetings for finalization.*

In Progress – Internal Staff:

- UCD Warehouse Inventory Process Audit:
 - *Walkthrough with Charlotte County UCD planned for 5/12/2021.*
- Charter School Authority Cash Processes Audit:
 - *Wrapping up field work. Draft will be issued week of 5/17 and exit will be shortly after.*
- IAFF Health Insurance Trust account analysis:
 - *Draft of memo provided to IAFF on Friday 5/14/2021. Expect Management response by end of week and issuance prior to the end of May.*

- Parks and Recreation GO Bond Lake Kennedy Project Audit: Entrance Conference held 5/11/2021.

Outstanding Post Audit Reviews

For status on all outstanding post audit reviews please see the Outstanding PAR Status Report attached.

Professional Development:

Training program	Sponsor	City Auditor	Deputy City Auditor	Internal Auditor
ALGA Annual Conference	ALGA	13	13	13
Peer Review Workshop	ALGA	0	0	8
From Audits to Investigations	ALGA	4	4	0
CPE Total Hours		17	17	21

Focus for the next period

The City Auditor and 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.
- Monitor status of FY20 City, Charter School and Pension audits.
- Facilitate GASB 87 work to be completed by CLA.

If you have any questions or comments regarding this memo, or any other matter in which this office may be of assistance, please contact me at 242-3380 or by email at ARussell@CapeCoral.net.

Attachment

C: Rob Hernandez, City Manager
Connie Barron, Assistant City Manager
Dolores Menendez, City Attorney
Kimberly Bruns, City Clerk
Audit Committee

Recommendations with due dates prior to May 31, 2021

Audit/Project	Finding Title	Rank	Recommendation Title	Due Date	Business Contact	Days Overdue	Audit Status Comments
Payroll Inquiry Second Memo	2020-02: IRS Form 941 submission	High	2020-02b: Update IRS contact information	10/31/2019	Chris Phillips; James Woodward	397.00	Documents received. Pending final review for closure
Payroll Inquiry Second Memo	2020-02: IRS Form 941 submission	High	2020-02a: File IRS Form 941 electronically	6/30/2020	Chris Phillips; James Woodward	224.00	Documents received. Pending final review for closure
Procurement	2019-02: Compliance with Procurement Procedures	High	2019-02c: AR Updates	11/30/2020	Wanda Roop	115.00	Late: Wanda indicated the process would take a few months from draft to approval as of 5/5/2021.
Procurement	2019-03: Procurement Process Timeline	High	2019-03: Standardize Processes	11/30/2020	Wanda Roop	115.00	Recommended for closure. Pending final review by City Auditor
Parks & Rec Special Events	2020-02: Fiscal Oversight	High	2020-02c: Track cash and non-cash sponsorship donations	12/31/2020	Lucille Vaillancourt-Kreider	92.00	Documents received. Transaction testing to be conducted in July.
Parks & Rec Special Events	2020-02: Fiscal Oversight	High	2020-02f: Follow City Cashier Policy and Procedures Manual	12/31/2020	Lucille Vaillancourt-Kreider	92.00	Documents received. Transaction testing to be conducted in November.
Procurement	2019-02: Compliance with Procurement Procedures	High	2019-02a: Provide Procurement training	1/31/2021	Wanda Roop	72.00	Late: Annual training will be held during the month of May through July of 2021 (in-person)
Fire Emergency Management	2020-04: Coordinating Procedures and Training Tracking	High	2020-04e: Training Tracking Development	3/31/2021	Alvin Henderson	28.00	Documents received. Pending final review for closure
Overtime Audit	2019-02: Telestaff Roles and Utilization	High	2019-02b: Police: Utilize Telestaff reports	3/31/2021	Jason Wallace	28.00	Documents received. Pending final review for closure
Fire Emergency Management	2020-04: Coordinating Procedures and Training Tracking	High	2020-04b: Review Job Aids - Coordinating Procedures	4/30/2021	Alvin Henderson	6.00	Documents received. Pending final review for closure
Parks & Rec Special Events	2020-01: Special Events Policies and Procedures	High	2020-01a: Develop Policies and Procedures Manual	4/30/2021	Lucille Vaillancourt-Kreider	6.00	Documents received. Pending final review for closure
Parks & Rec Special Events	2020-02: Fiscal Oversight	High	2020-02b: Monitoring	4/30/2021	Lucille Vaillancourt-Kreider	6.00	Documents received. Pending final review for closure
Parks & Rec Special Events	2020-02: Fiscal Oversight	High	2020-02g: Ticket and Alcohol sales	4/30/2021	Lucille Vaillancourt-Kreider	6.00	Documents received. Pending final review for closure
Parks & Rec Special Events	2020-03: Special Event Volunteers	High	2020-03a: Create volunteer manual	4/30/2021	Lucille Vaillancourt-Kreider	6.00	Documents received. Pending final review for closure
Admin Regulations	2020-01: AR Process Needs Improvement	High	2020-01a: Develop policies and procedures	5/28/2021	Connie Barron		Extension granted.
Fire Emergency Management	2020-04: Coordinating Procedures and Training Tracking	High	2020-04c: Job Aids Training - Coordinating Procedures	5/31/2021	Alvin Henderson		
	Count	16					

Recommendations with due dates after May 31, 2021							
Audit/Project	Finding Title	Rank	Recommendation Title	Due Date	Business Contact	Days Overdue	Audit Status Comments
Fire Emergency Management	2020-02: Time recording for emergency events	High	2020-02d EM: FEMA 214 Live Training - Time recording for emergency events	6/1/2021	Alvin Henderson		
Fire Emergency Management	2020-05 City COOP	High	2020-05a: Admin Reg Development - City COOP's	6/1/2021	Alvin Henderson		
Fire Emergency Management	2020-05 City COOP	High	2020-05b: Monitoring Process- City COOP's	6/1/2021	Alvin Henderson		
Fire Emergency Management	2020-06: Irma After Action Issue	High	2020-06b: Develop Future Monitoring - Irma	6/1/2021	Alvin Henderson		
Overtime Audit	2019-01: Payroll Policies and Procedures	High	2019-01b: Payroll Policies and Procedures - Periodic review	6/30/2021	James Woodward		
Overtime Audit	2019-04: Compensatory Time	High	2019-04c: Comp time automation	6/30/2021	Michelle Hoffmann		
Procurement	2019-02: Compliance with Procurement Procedures	High	2019-02.2020-02.b Follow up for 2019-02b Lean Techniques	6/30/2021	Tim DiSano		This is a recommendation established for tracking purposes only.
Citywide Travel	2020-01: Travel Process Oversight Needs Improvement	High	2020-01a. Update ARs	7/31/2021	Angela McNatt		
Citywide Travel	2020-01: Travel Process Oversight Needs Improvement	High	2020-01c. Strengthen controls over travel process	7/31/2021	Angela McNatt		
Citywide Travel	2020-01: Travel Process Oversight Needs Improvement	High	2020-01d. Mode of travel identification	7/31/2021	Angela McNatt		
Fire Emergency Management	2020-07 Interlocal Agreement Issue	High	2020-07b: Periodically Review the Inter-local Agreement	8/1/2021	Alvin Henderson		
Citywide Travel	2020-01: Travel Process Oversight Needs Improvement	High	2020-01b. Provide training on ARs and Concur	8/31/2021	Angela McNatt		
Fire Emergency Management	2020-04: Coordinating Procedures and Training Tracking	High	2020-04d: ICS Course Training - Coordinating Procedures	9/1/2021	Alvin Henderson		
Procurement	2019-01: Updates to Procurement Documents	High	2019-01a: 2021 Final updates	12/31/2021	Wanda Roop		
UEP	2020-01: Improve monitoring of construction inspections	High	2020-01b: Review inspection and oversight process	3/1/2022	Thomas McLean		
UEP	2020-02: Improve management of citizen's concerns	High	2020-02b.: Utilize one management system for oversight of citizen concerns	3/1/2022	Thomas McLean		
UEP	2020-01: Improve monitoring of construction inspections	High	2020-01a: Formalize and document monitoring of daily field inspection reports	6/1/2022	Thomas McLean		
UEP	2020-02: Improve management of citizen's concerns	High	2020-02a: Improve policies and procedures for addressing citizen's concerns	6/1/2022	Thomas McLean		
Admin Regulations	2020-01: AR Process Needs Improvement	High	2020-01b: Utilize PowerDMS to Monitor AR Process	6/30/2022	Connie Barron		
Parks & Rec Special Events	2020-01: Special Events Policies and Procedures	High	2020-01b: Periodically review Policies and Procedures	9/30/2022	Lucille Vaillancourt-Kreider		
Parks & Rec Special Events	2020-02: Fiscal Oversight	High	2020-02a: Budgeting expenditures and revenue	10/1/2022	Lucille Vaillancourt-Kreider		
Fire Emergency Management	2020-03: EMAP Accreditation	High	2020-03: Obtain EMAP Accreditation	12/31/2023	Alvin Henderson		
	Count	22					
	Total outstanding	38					