

The Audit Board of the City of Orlando met on Thursday, June 3, 2010 in Conference Room R on the second floor of Orlando City Hall.

BOARD MEMBERS:

George H. Herbst, Chair	Present	[2/0]
Eugene J. O'Neill, Vice Chair	Present	[2/0]
Leah G. James	Present	[1/0]

OTHERS PRESENT:

Deborah D. Girard, Deputy Chief Administrative Officer (arrived at 1:20 p.m.)
Raymond Elwell, Deputy Chief Financial Officer
William C. Mummert, Controller
John T. Sirak, Director, Office of Audit Services & Management Support
Michael Pattillo, Audit Partner, Ernst & Young
Michelle McCrimmon, Senior Manager, Ernst & Young
Lauren Harju, Manager, Ernst & Young
Annette Madden, Recording Secretary

1. OPENING REMARKS

George Herbst, Audit Board Chair, called the meeting to order at 1:00 p.m. He introduced the newest member of the Board, Leah James, who provided a brief summary of her career. Mr. Herbst noted that the external auditors' presentation and individual meeting with the Board was being moved to the beginning of the agenda to accommodate a late conflict on their part.

2. APPROVAL OF THE MINUTES

Mr. Herbst requested questions or comments related to the January 15, 2010 meeting minutes. **He made a Motion to approve the minutes of the January 15, 2010 meetings as written. The motion was seconded and approved.** Mr. Sirak noted that the City has adopted a new procedure with regard to meeting minutes. He explained the new procedure was to complete the "draft" meeting minutes within five business days and forward copies to the City Commissioners at the same time the copies are sent to the Board members for review and comment; the final minutes will still be approved by the Board at its next scheduled meeting prior to formal submission to City Council.

3. FINANCIAL STATEMENT AUDIT RESULTS AND MANAGEMENT LETTER – MIKE PATTILLO, AUDIT PARTNER, ERNST & YOUNG

Mr. Pattillo reported on Ernst & Young's (E&Y's) 2009 Financial Statement Audit Results and Communications, which had previously been distributed to the Board members. He thanked City staff for their cooperation during the audit. Mr. Pattillo stated that E&Y issued an unqualified opinion on the City's financial statements and the three pension funds. He also noted that there were no material instances of non-compliance with requirements applicable to the City's major Federal and State grant programs.

Mr. Pattillo then reported on the Management Letter comments noting there were no issues rising to the level of a significant deficiency or material non-compliance.

Mr. Elwell reported that the RFP process for the selection of the City's external auditor was concluded and that the City Council recently approved the contract for Ernst & Young to continue in this role. Mr. Sirak stated that Mr. O'Neill served on the Selection Committee.

The regular meeting of the Audit Board adjourned at 1:30 p.m. at which time the Board met individually with the external auditors, Ernst and Young. The regular Audit Board meeting reconvened at 1:40 p.m.

4 BUDGET UPDATE – RAYMOND ELWELL, DEPUTY CHIEF FINANCIAL OFFICER

Mr. Elwell distributed copies of the FY 2009/10 Fund Status Report as of April 30, 2010. He stated that the document represents full disclosure of the City's financials and includes charts, graphs and narrative

to further explain. Mr. Elwell provided the Audit Board with an overview of the document and responded to the Board's questions.

5. OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT – WILLIAM MUMMERT, CONTROLLER

The City of Orlando Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2009 was previously distributed to the Audit Board. Mr. Mummert stated that the City participates in the Government Finance Officers Association Certificate of Excellence program and that the City's CAFR received this award for the past 31 years. He stated that the City presented this year's document for consideration. Mr. Mummert presented highlights of the CAFR to the Board, noting that the Management Discussion & Analysis is a snapshot of the document. Mr. Mummert responded to the Board's questions.

6. AUDIT SERVICES & MANAGEMENT SUPPORT UPDATE – JACK SIRAK, DIRECTOR, OFFICE OF AUDIT SERVICES & MANAGEMENT SUPPORT

Mr. Sirak updated the Board with respect to the completed audits and special projects during the January 1, 2010 through the April 30, 2010 period, revenue derived from audits and identification of unpaid/delinquent local business taxes during that period, audits and projects in progress, and the planned audits and projects not yet started. Mr. Sirak responded to the Board's questions.

7. REVIEW OF AUDIT BOARD "CHARTER" – GEORGE HERBST, CHAIR

Mr. Sirak stated that City Code established the Audit Board in 1976 and noted that in order to ensure that the Board performs its duties, previous Boards developed procedures. Discussion ensued and it was agreed to postpone any further discussion to a subsequent meeting, which would also provide an opportunity to locate new members for the two current openings on the Board.

8. DISCUSS ANNUAL AGENDA/MEETING DATES – GEORGE HERBST

The Board determined it would conduct two additional meetings for the remainder of the calendar year.

The next meetings of the Audit Board have been scheduled as follows:

Friday, August 20, 2010 1:00 p.m. Conference Room R

The Board requested that staff determine the availability of the City Attorney for the November Audit Board meeting. November 18 or 19 were possible dates for consideration.

Subsequent to the meeting, the November meeting was confirmed as follows:

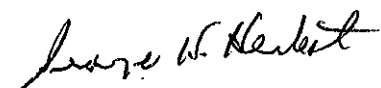
Thursday, November 18, 2010 1:00 p.m. Conference Room R

9. ELECT VICE CHAIR – AUDIT BOARD

Ms. James made a motion to nominate Mr. O'Neill as Vice Chair of the Audit Board. Mr. Herbst seconded the motion and all approved.

There being no further business, Mr. Herbst made a motion to adjourn the meeting, which was seconded, and the meeting adjourned at approximately 2:45 p.m.

Respectfully submitted,


George H. Herbst
Chair


Annette Madden
Recording Secretary