

The Audit Board of the City of Orlando met on Friday, January 15, 2010 in Conference Room R on the second floor of Orlando City Hall.

BOARD MEMBERS:

George H. Herbst, Chair	Present	[1/0]
Lena Combs, Vice Chair	Present	[1/0]
Eugene J. O'Neill	Present	[1/0]

OTHERS PRESENT:

Deborah D. Girard, Deputy Chief Administrative Officer
Rebecca W. Sutton, Chief Financial Officer
Raymond M. Elwell, Deputy Chief Financial Officer
Conrad C. Cross, Chief Information Officer
John T. Sirak, Director, Office of Audit Services & Management Support
William C. Mummert, Controller
Michael Pattillo, Audit Partner, Ernst & Young
Michelle McCrimmon, Senior Manager, Ernst & Young
Annette Madden, Recording Secretary

1. OPENING REMARKS

George Herbst, Acting Audit Board Chair, called the meeting to order at approximately 1:05 p.m. Mr. Herbst introduced the new Audit Board members, Lena Combs, Principal at Averett Warmus Durkee, CPAs and Eugene O'Neill, Vice President of North American Membership, at the Institute of Internal Auditors. Mr. Herbst stated that the Board is in the process of recruiting two additional members.

2. APPROVAL OF THE MINUTES

Mr. Herbst noted he was the only current Board member present at the August 21, 2009 meeting, however, the new Board members received a copy of the minutes in their meeting package. **Motion was made by Mr. Herbst to approve the minutes of the August 21, 2009 meeting as written. The motion was seconded and approved.**

3. BUDGET UPDATE – RAY ELWELL, DEPUTY CHIEF FINANCIAL OFFICER

Mr. Elwell distributed copies of the FY 2009/10 Fund Status Report as of November 30, 2009. Mr. Elwell provided the Board with an overview of the document, mentioning that copies of the report would be emailed to the Board members monthly, and responded to questions.

4. TECHNOLOGY MANAGEMENT UPDATE – CONRAD CROSS, CHIEF INFORMATION OFFICER

At the Board's request, the City's Chief Information Officer, Conrad Cross, provided an overview of the Technology Management Division (TMD), including its organization, staffing, infrastructure, sample projects and future direction. Mr. Cross responded to questions, advising that a security audit had been performed about a year and a half ago, describing the TMD project prioritization process, and noting that the City's TMD function compares favorably to other cities of similar size and that the City does meet quarterly with the County's computer operations staff to discuss common projects.

Ms. Girard and Mr. Elwell left the meeting at 1:30 p.m., Ms. Sutton entered the meeting at 1:30 p.m. and Mr. Cross left the meeting at approximately 1:45 p.m.

5. REVIEW STATUS OF EXTERNAL AUDIT – MIKE PATTILLO, AUDIT PARTNER, ERNST & YOUNG

Mr. Pattillo stated that Ernst & Young (E&Y) was currently in the closing portion of the annual audit and that the City's audited Comprehensive Annual Financial Report (CAFR) should be available for distribution to the Board at its March meeting. Mr. Pattillo also distributed a report listing recent accounting developments related to governmental accounting and briefly discussed some of the items contained in the report.

In response to additional questions from the Board, Mr. Pattillo stated that E&Y's current audit staff has, for the most part, been assigned to the City's audit for a couple of years to provide continuity and that the issue of rotating the partner, as recommended by authoritative literature and required by the Securities

Exchange Commission, has not been an issue as of yet. Mr. Mummert noted that the City's practice is to issue a Request for Proposal (RFP) for external audit services every five years and that this year's audit will be the fifth year; current plans are to issue an RFP late February/early March.

At 2:00 p.m. the regular meeting adjourned and the Board met individually with Ms. Sutton. At 2:30 p.m. Ms. Sutton, Mr. Pattillo and Ms. McCrimmon left the meeting. Mr. Herbst reconvened the regular meeting at 2:30 p.m.

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 July 31 through December 31, 2009 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.

7. REVIEW INTERNAL AUDIT CHARTER – JACK SIRAK

Mr. Sirak reported that minimal changes to the Charter for the Office of Audit Services & Management Support would be necessary as part of the reorganization of the Audit Office.

8. ELECT AUDIT BOARD CHAIR AND VICE CHAIR – GEORGE HERBST

Ms. Combs made a motion to nominate Mr. Herbst as Chair; Mr. Herbst moved to nominate Ms. Combs as Vice Chair. Both motions passed.

9. DISCUSS ANNUAL AGENDA/MEETING DATES – GEORGE HERBST

Mr. Sirak explained that the *City of Orlando Audit Board Planned Meeting Calendar – October 1, 2009 – September 30, 2010* reflects Audit Board meeting dates and topics that were held historically. After discussion, the Board determined it would continue with the proposed Calendar at the present time, but only schedule two meetings in order to provide flexibility for future Board members.

The next meetings of the Audit Board were scheduled as follows:

Friday, March 26, 2010	1:00 p.m.	Conference Room R
Thursday, June 3, 2010	1:00 p.m.	Conference Room R

There being no further business, Ms. Combs made a motion to adjourn the meeting, which was seconded, and the meeting adjourned at approximately 3:35 p.m.

Respectfully submitted,

George H. Herbst
Chair

Annette Madden
Recording Secretary