

**MINUTES
FORT MYERS BEACH
AUDIT COMMITTEE
Town Hall
2525 Estero Boulevard
Fort Myers Beach, FL 33931**

Monday, July 29, 2019

I. CALL TO ORDER

Meeting was called to order at 9:00 a.m. by Chair Rodwell. Members present: Dick Cote, Dan Hughes, Edward Lombard and James Rodwell.

Excused: John Goggin

Staff Liaison: Finance Director Robert Lange

Town Council Liaison: Vice Mayor Ray Murphy

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF APRIL 8, 2019 AND JUNE 10, 2019 MINUTES

MOTION: Mr. Lombard moved to approve the minutes of April 8, 2019; second by Mr. Cote.

VOTE: Motion passed unanimously.

MOTION: Mr. Lombard moved to approve the June 10, 2019 minutes as amended; second by Mr. Hughes.

VOTE: Motion passed unanimously.

Replace Audit with Audit Committee wherever necessary.

Change: Mr. Lombard moved that the Audit Committee resolve itself into a special meeting.

Mr. Lombard requested that his motion on Page 1 be transcribed verbatim.

IV. FISCAL YEAR 2018 AUDIT UPDATE

Chair Rodwell stated that it took 10 months to complete the audit and they inappropriately contacted him on more than one occasion. He addressed items on Page 68 of the audit and felt that a lot of them were incorrect. Director Lange agreed that the auditors failed in their documentation; however, he noted that the final result of the audit report was clear. Director Lange reported that staff would work on internal control procedures and he will present those procedures to the Audit Committee when completed.

Mr. Hughes suggested that going forward, a representative of the audit attend an Audit Committee meeting to explain specific findings.

Director Lange discussed the year-end closing statements on Page 67 in the report and the investment policy on Page 70. Discussion was held concerning staff in the Finance Department. Chair Rodwell commented that Director Lange should be in the office five days per week rather than two. Director Lange responded that he was hired to do the job whether it took him two days

or ten days. He discussed the challenges they faced last year and he noted that he modified his schedule to two days per week in May of 2019.

V. REVIEW OF PROPOSALS AND RECOMMENDATIONS FOR AUDITOR FOR FY 2019 AUDIT

Discussion was held regarding issues surrounding the June 10, 2019 joint meeting of the Selection Advisory Committee (SAC) and the Special Audit Committee. Contracts Manager Baker explained the role of the SAC and Director Lange discussed established practices and due process.

MOTION: Mr. Lombard moved to reconsider the vote; second by Mr. Cote.

VOTE: Motion passed unanimously.

MOTION: Mr. Lombard moved that based upon the Audit Committee's evaluation of submitted proposals, the rank and recommended firms of the conduct of the fiscal year 2019 and for each of the two subsequent fiscal years be as follows: Mauldin & Jenkins, Moore Stephens Lovelace P.A. and CliftonLarsonAllen, LLP, and such rank and recommendation be forthwith to Town Council; second by Mr. Hughes.

VOTE: Motion passed unanimously.

Mr. Lombard noted that the recommendation complied totally with Mr. Goggin's pronouncements during the June 10, 2019 meeting. Mr. Hughes requested a copy of the ordinance that required a SAC. Manager Baker indicated she would forward a copy to Mr. Hughes.

Mr. Lombard discussed adhering to the Audit Committee's scheduled meetings on the second Monday of every month at 9:00 a.m. He requested that they be advised when a regularly scheduled meeting was canceled or postponed.

Mr. Hughes questioned the status of the supplemental report for capital projects. Director Lange replied that he would follow up with the request. Chair Rodwell explained a risk assessment audit to Mr. Hughes. Chair Rodwell advised that a third party conduct a risk assessment. Director Lange will take his advice under consideration. He indicated that a company was contracted to perform a penetration test evaluation for the Town's IT applications in September. Mr. Cote stated that the new auditors would risk assess the internal controls as part of their function and they did not need another firm to perform the same work.

Town Manager Hernstadt discussed checking potential points of vulnerability in the system. He stated that they would continue to work on the issues raised in the audit report, whether they were insignificant or significant. He reviewed the experience and education of current staff members in the Finance Department.

Mr. Hughes requested that the Audit Committee review the contract with Mauldin & Jenkins. Town Manager Hernstadt agreed. Mr. Lombard suggested that the contract specify that the auditor will present the audit to the Audit Committee and be available for discussion.

Vice Mayor Murphy thanked the Audit Committee and staff for their service. He addressed the joint meeting on June 10, 2019.

VI. ADJOURN

MOTION: Mr. Lombard moved to adjourn the meeting; second by Chair Rodwell.

VOTE: Motion passed unanimously.

Meeting adjourned at 10:46 a.m.

Adopted 10/14/11 with/without changes. Motion by Chair Rodwell
(DATE)

Vote: 10/14/11 4-0 Signature: James O. Rodwell

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