



AUDIT COMMITTEE MEETING MINUTES

DATE: November 30, 2016

LOCATION: CITY HALL FOURTH FLOOR CONFERENCE ROOM

TIME: 3:00 PM

- I. CALL TO ORDER – Audit Committee Chairman
The meeting was called to order by Chairman Wilbur Berry at 3:02 pm.
- II. ANNOUNCE MEMBERS IN ATTENDANCE (VERIFY QUORUM)
Audit Committee members: Joel Wallace, Joyce Norris, Wilbur Berry, Jerry Weatherspoon
Audit Committee members absent: Sonja Stewart
Quorum verified? Yes

Internal Audit attendees: Rodney Wright, Stephanie Fox, Ginger Fussell
Other Attendees: None
- III. ADOPTION OF MINUTES: September 28, 2016 Audit Committee Meeting
Wilbur Berry asked the Audit Committee members to review the minutes and called for a motion for approval. Joel Wallace made a motion to accept the minutes, Joyce Norris seconded. The minutes were approved as presented.
- IV. DEPARTMENT REPORT
 - A. Budget Report
 - i. FY 2017 – Rod discussed the departmental budget report updating the committee of progressive billing for the external audit.
 - B. Update on Internal Audit Activity – Rod provided the committee with a brief update on the status of the following Internal Audit activities.
 - i. P-card audit – A report draft has been provided to Purchasing for management responses.

Wilbur asked for an update regarding restitution due the City for the P-Card issue at Clarksville Gas and Water. A general update was provided.
 - ii. Management Expense Audit – Results of testing are being summarized and discussions are ongoing with management.
 - iii. Misc. Agency Funding Audit – The audit testing phase is ongoing.

- iv. External Audit Status – NGAC and CDE audits are complete, CGW and City General are currently in Partner review by the external audit firm.
- v. Risk Assessment Meetings – Rod reported that internal audit has participated in risk assessment meetings with the following departments since the last audit committee meeting: Mayor’s Office, Municipal Properties, Community Development, Golf Courses, IT, Legal, Legislative, Finance, Garage, HR, and Purchasing. He indicated that these are very productive meetings also useful in Internal Audit’s risk assessment process. He expressed appreciation to the Finance department for conducting these meetings.
- vi. Fraud Reporting Process – A new internal communication policy has been drafted to outline responsibilities for reporting within the City when issues arise. The policy was prepared by the Mayor’s office and is being reviewed by Internal Audit. Work will continue toward preparing revisions to be discussed further with the Mayor’s office.
- vii. HR Learning Performance Management System Meetings – Rod was invited to participate in discussions that the Human Resource department is having regarding a new learning performance management system. Rod was glad the department asked for Internal Audit’s presence at the discussions.
- viii. Follow Up Work – Rod informed the committee that follow up work for previously completed audits has begun, and that additional time may be necessary toward these projects than currently budgeted. He is still reviewing. If more time is needed, he will present to the committee.

V. COMMITTEE ACTION REQUIRED

A. Nominate new audit committee member

Terms are expiring in December for Sonja Stewart and Wilbur Berry. Sonja Stewart has served her eligible number of terms. Wilbur is eligible for an additional term. Additionally, the council member term of Joel Wallace will be ending in December.

Discussion took place regarding nominations for Sonja and Wilbur’s committee positions. Requirements for eligibility as well as procedural timing for nominations were included in discussion.

Lynn Stokes was mentioned as a possible candidate for the committee. Discussion addressed Ms. Stokes’ previous position with the department noting it vacated for the required amount of time. There was favorable response from committee members and internal audit staff toward her serving on the committee. Jerry Weatherspoon made a motion to nominate Lynn Stokes if she is willing to serve. Joyce Norris seconded the motion. The committee approved the nomination.

Wilbur was asked if he was willing to serve an additional term. After confirming his willingness, Joyce Norris made a motion to nominate Wilbur Berry for an additional term. The motion was seconded by Joel Wallace. The committee approved the nomination.

Later in the meeting, committee members and staff expressed appreciation for Joel and Sonja’s valuable input and service to the City. Joel expressed his appreciation for the importance of the audit committee and its work. Internal audit staff will send a note of thanks to Sonja who was unable to attend the meeting.

VI. CITY COUNCIL ACTION REQUIRED

- A. Appoint new audit committee member.
- VII. NEW BUSINESS
 - A. Nominate new audit committee member – See item V.A.
- VIII. ADJOURNMENT OF PUBLIC MEETING

Joel made a motion to adjourn regular session and enter into executive session at 3:26 pm.
Joyce seconded the motion. Public session adjourned.
- IX. PUBLIC COMMENTS (5 minutes each)
- X. NEXT MEETING - **January 11, 2017 – 3:00 PM**
- XI. EXECUTIVE SESSION – Vote by the Committee to go into executive session.

Joel made a motion to adjourn regular session and enter into executive session at 3:26 pm.
Joyce seconded the motion.

At this point in the meeting everyone other than Audit Committee members and those asked to attend by the Audit Committee to address a pending audit issue will be asked to leave.

- A. Ongoing audits and investigations
 - B. Hotline reports
 - C. Audit plan
- XII. ADJOURNMENT OF EXECUTIVE SESSION

Joel made a motion to adjourn executive session. Joyce seconded the motion. Public session adjourned at approximately 3:50 pm.