

The Minutes of the City Audit Advisory Board held Wednesday, May 14, 2008 at 2pm

Call to Order

The second meeting of the Audit Advisory Board was called to order by Mike Justus, Board Chair, at 2pm. This meeting was held in Conference Room 106 located in the City County Building.

Attendance

Present: Don Herz, Finance Director; Peggy Tharnish, City Controller; Connor Reuter, Assistant City Attorney; Vince Mejer, City Purchasing Agent; Jamie Phillips, Don Herz Assistant; Board Members: Barbara Arendt, Todd Blome, Steve Bowen, Michael Justus, Jim Mastera, Chuck Pallesen.

I. Approval of April 23, 2008 board minutes

Michael Justus asked for a motion to approve the minutes from the April 23rd meeting. Jim Mastera moved approval, which was seconded by Chuck Pallesen. AYES: Barbara, Todd, Steve, Michael, Jim, Chuck. Motion carried, 6-0.

II. Review request for City Council resolution

Jim stated that, as they all know, Don submitted a memo to the City Council to let them know that the board has begun to meet and is requesting their recommendations. A copy of the memo was sent to each of the board members by Don Herz. Jim stated that the timeline of this is that the City Council has to first create a resolution which will state their recommendations for the group, which then has to be placed on the City Council's Agenda.

Don said his thought was that unless the group has some other business to discuss in June, that they should wait to see where the City Council is at with their resolution of suggestions, and then make the call if the group will need to meet in June or not.

III. Review web page for the Audit Advisory Board

Peggy handed out copies of the first page of the Audit Advisory Board web page. She asked the board if they had any changes or suggestions for us to make, which none were made.

Don stated that once they get to the point that there are generated reports, he plans on having them made into PDF files and having them posted online on the same website.

IV. Open meetings law discussion

Connor stated that she would like to talk about the Open Meetings Act in a little more detail at this meeting. She reminded the group that they are considered to be a public body, which means they are subject to the Open Meetings Act. She stated that notice of the meetings must be posted one week prior to the meeting. The meeting notices are to be posted in the hallway of the City/County Building on the first floor, along with all the other City Clerk's meeting notices. It was asked of Connor if the meetings should be advertised in the paper, in which she stated that legally it does not

need to be, and that it is only required to be posted on the City Clerk's bulletin board in our building. She said if we had any changes to the meeting notice that it would need to be done at least 24 hours prior to the meeting.

Connor also stated that any items on the Agenda can't be listed as a general item, such as "audit issues". She stated that the group would need to be a little more specific in the topics listed on the agenda. She said that if anyone has any doubt what that topic means, then the group should have that item listed with more detail. She reminded the group that since they are a public body, they can not discuss any of these matters via email, phone calls, or anything else similar to that. Also, if any of the members are in a public place at the same time, they still aren't allowed to discuss any of the meeting topics. The topics must only be discussed at their scheduled meetings. Jim asked Connor if she could email a copy of the Open Meetings Act to the group, which she said she could.

Connor suggested to the group that from now on, they do all their board votes by roll call. She said that the minutes should be made available within 10 working days of the meeting. She also said she liked the idea that the word "draft" was watermarked on the minutes when they are first posted online, and then once they are approved the word "draft" be removed so people can tell they are considered to be the final minutes.

Connor told the group that the City Council currently has an open mike session which allows the public to come forward and address issues with the board. The City Council only has open mike sessions during their night meetings. They also only allow each person to speak for five minutes. Connor told the group that if anyone attends their meetings, they do not have to identify themselves. They only need to if they speak at an open mike session. Connor suggested that the group possibly have an open mike session at each quarter meeting, since the group might not meet on a regular monthly basis. She suggested that it would need to be announced on each agenda so the public is aware of the next open mike session.

Mike asked Connor if they would ever need to meet in an executive session or a closed session. Connor stated that the manner in which you go into an executive session is quite specific. She did say that she wasn't sure what kind of detail that this group would go into until she sees the City Council's resolution and what they are suggesting. She did say that at this time, they aren't allowing the board to audit individual employees, but if they are assigned to a specific department and needed to see specific information, then they will try to get the information in which might lead to an executive session. However, she said it will be a case by case basis.

V. City purchasing process

Mike asked Vince Mejer, the City Purchasing Agent, to talk to the group about the City purchasing process. Vince stated that presently there are no forms of procedures for hiring professional auditors. He said the ordinance that was passed spells out that he has to first go to the State to see if the State Auditor will perform the audit. He said if they won't, then he will have to come back to the board and they will need to take another look at the scope. If the State Auditor won't do the audit, Vince said that he would then need to get proposals, present those proposals to the board, and then submit the proposals to the City Council.

Mike asked Connor if the board had to offer it to the State Auditor. Connor stated that the board could make that determination in weather to go to the State Auditor or a private vendor. Connor said to refer to the flow chart of the audit advisory board process that she handed out at the last meeting, which explains the process in detail.

Vince told the group that they would do a formal proposal if it is over \$30,000, and they would send out an RFP and a sample contract. He said once they receive the RFP responses, they would then forward the valid responses to the selection committee. He said that they would do an informal proposal if it's under \$30,000, which is not advertised in the newspaper. He said they just send out the specs to the auditing firms within the community. Vince said that you can find all the RFP's posted on their website under the Purchasing Department. Vince said what appears on the website would be the specifications that they set, but not the responses. The names of the firms submitting would be public information, but not their fees. However, once we enter into a contract with the company, then it would all be public information.

Vince said that the turn around time for a proposal is determined by its complexity. He said that if it's \$100,000 proposal, then it might take 45 days. However, if it's a \$20,000 proposal, then they might be able to do it within a week. He said that they just need to give adequate time to the auditing firms to read the proposals and have time to respond. Vince said that normally he sends out an email to all the auditing firms that are signed up on E-Bid on their website. However, he said he could email additional firms if the board wanted him to.

VI. Adjournment

Board Chair, Michael Justus, called for adjournment. Todd Blome moved approval, which was seconded by Barbara Arendt. The meeting was adjourned at 2:30pm.

Minutes submitted by: Jamie Phillips