

**The Minutes of the City Audit Advisory Board held  
Wednesday, September 10, 2008 at 2pm**

**Call to Order**

The meeting of the Audit Advisory Board was called to order by Michael Justus, Board Chair, at 2pm. This meeting was held in Conference Room 206, which is located in the City County Building.

**Attendance**

Present: Peggy Tharnish, City Controller; Connor Reuter, Assistant City Attorney; Jamie Phillips, Don Herz Assistant; Vince Mejer, City Purchasing Agent; Board Members: Barbara Arendt, Todd Blome, Steve Bowen, Jim Mastera, Michael Justus, Chuck Pallesen. (Chuck Pallesen left prior to voting on Agenda item 4 & 5)

Absent: Don Herz, City Finance Director.

**I. Note Open Meetings Law**

Michael made note of the Open Meetings Act that is posted on the conference room wall.

**II. Approval of August 7, 2008 board minutes &**

**III. Approval of August 13, 2008 board minutes**

Michael Justus asked for a motion to approve the minutes from the August 7<sup>th</sup> and August 13<sup>th</sup> meeting. Chuck Pallesen moved approval, which was seconded by Barbara Arendt. AYES: Barbara, Todd, Steve, Michael, Jim, Chuck. NAYS: None; Motion carried, 6-0.

**IV. Complete discussion and formulation of work to be performed in response to the City Council resolution regarding fund balances**

The group discussed their thoughts on their Agreed Upon Procedures list and on the governmental funds spreadsheet that Peggy put together for the group. The group then revised and added to the Agreed Upon Procedures list.

Todd made a motion to use their revised Agreed Upon Procedures list as the proposed scope that they will use, which was seconded by Barbara. AYES: Mike, Todd, Jim, Barbara, Steve; NAYS: None; ABSENT: Chuck; Motion carried, 5-0.

Mike made a motion to identify the scope of the work preformed to be an operational review which shall be in the agreed upon procedures report, which was seconded by Jim. AYES: Mike, Todd, Jim, Barbara, Steve; NAYS: None; ABSENT: Chuck; Motion carried, 5-0.

Todd made a motion to pursue a private contract service of a contract auditor, which was seconded by Jim. AYES: Mike, Todd, Jim, Barbara, Steve; NAYS: None; ABSENT: Chuck; Motion carried, 5-0.

Jim made a motion to set a time period of 90 days for the auditor to respond to them which begins as soon as the contract is executed, which was seconded by Todd. AYES: Mike, Todd, Jim, Barbara, Steve; NAYS: None; ABSENT: Chuck; Motion carried, 5-0.

Steve made a suggestion to create a footnote on the contract once they get it back from the auditor. He suggested that the footnote state that they didn't address the Police and Fire Pension Fund, just governmental funds, because on Page 66 of the CAFR it showed the Police and Fire Pension was over 100 percent funded as of August 31, 2007.

Vince stated that he will begin to prepare an informal quote once he gets the boards agreed upon procedures list. He said he thought that he could get a fee within two weeks.

**V. Adjournment**

Board Chair, Michael Justus, called for adjournment. Jim Mastera moved approval, which was seconded by Steve Bowen. The meeting was adjourned at 3:40pm.

Minutes submitted by: Jamie Phillips