



City of Greensboro

Melvin Municipal Building
300 W. Washington Street
Greensboro, NC 27401

Meeting Minutes - Draft Audit Committee

Tuesday, January 29, 2019

3:00 PM

Legislative Conference Room

1. Call To Order

This Audit Committee meeting of the City of Greensboro was called to order at 3:00 p.m. on the above date in the Legislative Conference Room of the Melvin Municipal Office Building with the following members present:

Chairperson Mayor Nancy Vaughan, Councilmember Justin Outling, Councilmember Tammi Thurm, and public member Art Winstead.

Also present: City Manager David Parrish, Finance Director Rick Lusk, Interim City Attorney Jim Hoffman, and Deputy City Clerk Angela R. Lord.

Cherry Bekaert Partner, April Adams, Assistant City Manager Chris Wilson, Deputy Finance Director Marlene Druga, and Internal Audit Manager Len Lucas were also present.

3. Old Business

There was no old business to be discussed.

4. New Business

Taking the prerogative of the Chair Mayor Vaughan moved the Independent Auditors' Presentation up on the agenda.

2. [ID 19-0068](#) Independent Auditors' Presentation
April Adams, Partner, Cherry Bekaert LLP
2017 - 2018 Audit Highlights

Finance Director Rick Lusk recognized Cherry Bekaert Partner, April Adams to present the report.

Ms. Adams spoke to filling in for advisor Eddie Burke; outlined topics to be reviewed; spoke to compliance; to observations caught by city employees; and reviewed concerns regarding inappropriate use of procurement cards (p-card).

Mr. Lusk provided the history of the p-card violation; spoke to a criminal case as a result of the violation; and to the recovery of property.

Discussion took place regarding the cost to the city for the misuse of the p-card; a timeline of the incident; and policy changes with regard to p-card statements.

Ms. Adams reviewed a concern identified by staff regarding a vendor bank transfer.

Discussion continued regarding organizational procedures; verification of the validity of purchases; recovery of funds; and reinforcement of network technology.

Ms. Adams voiced satisfaction with the handling and outcome of the incidents; outlined a single audit; SAS 114; spoke to post-employment benefits; the use of a local minority firm; outlined internal and information technology controls; spoke to significant cycles and audit areas; to requirements for journal entries; to review of financial

statements; to assets and revenues; to liabilities and expenditures. Ms. Adams outlined federal and state programs; financial results including general fund revenues and expenses; proprietary funds in relation to operating revenues and expenses; spoke to cash investments; to capital assets; to long-term debt; stated activities were being captured properly; spoke to good internal controls; and voiced appreciation for the cooperation of staff.

Discussion ensued regarding division of internal and external audits; surplus items; reverse internal audits; audits of leased equipment; and retirement benefits.

2. Approval of Draft Minutes

1. [ID 19-0067](#) Motion to Approve the Minutes of the February 15, 2018 Audit Committee Meeting

Moved by Councilmember Outling, seconded by Councilmember Thurm to adopt the February 15, 2018 Audit Committee meeting minutes. The motion carried by voice vote.

3. [ID 19-0069](#) Internal Audit Report

Internal Audit Manager Len Lucas explained the process for internal audits; spoke to a review of p-cards on a quarterly bases; to the p-card procedures; to monetary limits; review of reports by department directors; to large purchase authorization; highlighted the purchase of electric buses; spoke to the accountability of federal funds; to Public Information Request Tracking (PIRT) responses; to the use of bond funds; to review of cash accounts; and stated staff posted monthly reports to the city website.

Mr. Lusk interjected a potential restructuring of p-card procedures for additional review by the Purchasing Department.

Discussion took place regarding the city tax exemption status; Council being informed of the posting of monthly reports; various grants throughout the city; challenges to collect parking fines; staff research for changes at the State level for receivership; and pre-2015 Civil penalties.

Mayor Vaughan requested staff research a partnership with the school system for collection of fines; and voiced appreciation for internal and external information provided.

5. Adjournment

Moved by Councilmember Outling, seconded by Councilmember Thurm, to adjourn the meeting. The motion carried by voice vote.

THE AUDIT COMMITTEE ADJOURNED AT 3:50 P.M.

ANGELA R. LORD
DEPUTY CITY CLERK

NANCY VAUGHAN
CHAIR