

**MINUTES
COUNCIL AUDIT COMMITTEE
MEETING OF JUNE 20, 2016**

Council Chamber, City Hall

1. CALL TO ORDER/ROLL CALL - 3:30 PM

Roll Call

Present:

Michael Tubbs

Elbert Holman

Absent:

Daniel Wright.

Vice Chair Wright arrived at to the meeting at 3:37 p.m.

2. PUBLIC COMMENT*

None.

3. ITEM(S) FOR DISCUSSION

3.1 16-2646 APPROVAL OF COMMITTEE MINUTES

Legislation Text

2016-04-11 Minutes for Approval

Approve **Motion 2016-06-20-0301** approving the minutes from the April 11, 2016 Council Audit Committee meeting.

Moved by: Elbert Holman, seconded by Michael Tubbs.

Vote: Motion carried 2-0

Yes: Michael Tubbs, and Elbert Holman.

Absent: Daniel Wright.

3.2 16-2793 INTERNAL AUDIT STATUS REPORT

Legislation Text

Attachment A - Internal Audit Status Report - 06-20-16.pdf

Mark Steranka, Internal Auditor Moss Adams - provided the status report and responded to questions from the committee.

Public Comment

Ned Leiba - urged that the full Audit Findings Tracking Report be produced; spoke regarding findings of material weakness; complimented the terminology used by the City Auditor.

3.3 16-2757 REVIEW AWARD OF A CONTRACT FOR ANNUAL AUDIT SERVICES TO THE PUN GROUP, LLP FOR THE FISCAL YEARS 2015-16, 2016-17, AND 2017-18 WITH TWO ONE-YEAR OPTIONS TO EXTEND

Legislation Text

Mark Steranka, Internal Auditor Moss Adams - introduced the item and responded to questions from the committee, with Assistant Chief Financial Officer Claire Tyson providing the staff report.

Public Comment

Ned Leiba - spoke in opposition to the selected audit firm; expressed opinion that a member of the Audit Committee should have been part of the selection committee; spoke regarding audit costs and audit findings.

3.4 16-2796 REVIEW AWARD OF A CONTRACT FOR MEASURE A ADDITIONAL AUDIT SERVICES TO EADIE AND PAYNE, LLP

Legislation Text

Claire Tyson, Assistant Chief Financial Officer - provided the staff report and responded to questions from the committee.

Public Comment

Ned Leiba - referred to page 2 of the staff report, disagreeing with information provided related to the audit by Pun & McGeady; spoke regarding agreed upon procedures; regarding Item 3.5, spoke in favor of the Audit Committee participating in an audit workshop.

Approve **Motion 2016-06-20-0304** forwarding the proposed staff recommendation to the full City Council to adopt a motion authorizing the City Manager to award and enter into an agreement for Measure A additional audit services with the firm of Eadie and Payne, LLP, for an amount not to exceed \$86,000 for the three (3) fiscal years ended June 30, 2015, 2016 and 2017. The proposed contract includes the option of two one-year contract extensions for audits of the fiscal years ending June 30, 2018 and 2019. The combined five year contract award is for an amount not to exceed a total of \$146,000.

Moved by: Daniel Wright, seconded by Elbert Holman.

Vote: Motion carried 3-0

Yes: Michael Tubbs, Elbert Holman, and Daniel Wright.

3.5 16-2795 DISCUSSION OF NEXT YEAR'S AUDIT PROGRAM

Legislation Text

Susana Wood, Assistant City Attorney - clarified that Item 3.3 was an informational item and that no motion was necessary in response to a question from Mark Steranka, Internal Auditor Moss Adams.

Mark Steranka, Internal Auditor Moss Adams - introduced the item to the committee with the aid of a PowerPoint presentation (attached). The Audit Committee proceeded with a discussion of the item, with Mark Steranka responding to questions throughout.

PowerPoint Presentation

4. ADJOURNMENT - 4:30 PM



BONNIE PAIGE, CMC
CITY CLERK, CITY OF STOCKTON