



City of Marco Island Florida

51 Bald Eagle Drive
Marco Island, Florida
cityofmarcoisland.com

Meeting Minutes - Draft

Audit Advisory Committee

Chair: Jim Miller
Vice-Chair: William Rogers

*Committee Members: Dick Adams,
Michael Cory, William Hogan,
Robert Hughes, Rick Woodworth*

City Staff: Guillermo Polanco, Lori Rizzo

Wednesday, September 2, 2020

9:00 AM

Community Room

(1) CALL TO ORDER

Chair Miller called the meeting to order at 9:00 AM

(2) ROLL CALL

Present: 5 - Member Hughes, Member Hogan, Member Cory, Member Woodworth and Chair Miller

Excused: 2 - Member Adams and Vice-Chair Rogers

(3) APPROVAL OF THE AGENDA

MOTION by Member Hughes, seconded by Member Cory, that the Agenda be Approved. MOTION CARRIED BY THE FOLLOWING VOTE:

Yes: 5 - Member Hughes, Member Hogan, Member Cory, Member Woodworth and Chair Miller

(4) ELECTION OF F/Y 2021 AAC CHAIR AND VICE-CHAIR

MOTION by Member Hughes nominating current Chair Miller to continue as Chair of the Audit Advisory Committee for F/Y 2021.

No other nominations were advanced by members of the Committee.

Yes: 5 - Member Hughes, Member Hogan, Member Cory, Member Woodworth and Chair Miller

MOTION by Member Woodworth nominating current Vice-Chair Rogers to continue as Vice-Chair of the Audit Committee for F/Y 2021.

No other nominations were advanced by members of the Committee.

Yes: 5 - Member Hughes, Member Hogan, Member Cory, Member Woodworth and Chair Miller

(5) APPROVAL OF THE MINUTES

[ID 20-971](#) Approval of Audit Advisory Committee Meeting Minutes of March 10, 2020

MOTION by Member Woodworth, seconded by Member Hughes, that the Minutes of March 10, 2020 be Approved. MOTION CARRIED BY THE FOLLOWING VOTE:

Yes: 5 - Member Hughes, Member Hogan, Member Cory, Member Woodworth and Chair Miller

(6) NEW BUSINESS**(a) Florida Sunshine Law Review - Finance Director Polanco**

[ID 20-980](#) Florida Sunshine Law Review

Attorney Alan Gabriel (unable to attend this meeting) provided a Memorandum dated August 18, 2020 to the Audit Advisory Committee members regarding the Florida's Open Government and Ethics Laws. Finance Director Polanco reviewed the memo with the Committee highlighting:

- I. The Sunshine Law/Open Government (Chapter 286, Florida Statutes)
- II. Public Records (Chapter 119, Florida Statutes)
- III. Social Media Activities
- IV. Ethics Laws (Sections 112.311-112.3261 Florida Statutes)

(b) AAC Objectives and Responsibilities - AAC Chair

1. [ID 20-976](#) AAC Objectives and Responsibilities and City Council Resolution 20-06

Chair Miller spoke to the Committee about the Audit Advisory Objectives which were updated November 12, 2019 and approved by City Council through Resolution 20-06.

The Objectives are basically a job description for the Audit Advisory Committee created by the AAC. Two main objectives of the Committee are to:

- 1. Monitor the Auditors
- 2. Review the results of the Auditors

A change that has been made that will affect the future selection of the Audit Services is there will be a City Council Member as part of the Auditor Selection Committee.

2. [ID 20-981](#) Minimum Responsibilities of AAC Required by Florida Statute

Chair Miller discussed minimum responsibilities of the AAC by the Florida Statute which states a municipality must have an auditor selection committee.

(c) City Handbook for Boards and Committees - AAC Chair

[ID 20-974](#) City Handbook for Boards and Committees

The City Handbook for Boards and Committees is a reference tool for Committee Members that explains the general functions and processes of Committees.

(d) Overview of New GASB Pronouncements - Finance Director Polanco

ID 20-979 Overview of New GASB Pronouncements

Finance Director Polanco reviewed the upcoming GASB Pronouncements for FY20 and FY21.
FY20 GASB 83 -Certain Asset retirement obligations: Sewage plants demos, and asbestos related issues
GASB 88 (already implemented)- Debt disclosures
FY 21 GASB 84-Small Custodial accounts for example veterans groups, Big flag group.
Other GASB Procurements were explained through FY 23.

The GFOA certificate was also explained to the Committee by Director Polanco, as being a Certificate of Excellence in Financial Reporting. The City has received the reward since the City was incorporated. Per Daniel Anderson of Mauldin & Jenkins, only 30% of Cities in Florida apply for the Certificate.

(e) Audit Timeline - Daniel Anderson, Mauldin & Jenkins

Daniel Anderson of Mauldin & Jenkins gave a presentation to the AAC of the Audit timeline.

Audit Process is 3 Phases:

Initial Planning Phase (Sept/Oct Time Frame)

- Discussions with Gil and team for any significant transactions
- Internal Controls changes
- Internal Control changes pre and post COVID
- New GASB

Second Phase is the Field Work (January Time Frame)

- Scheduled Testing
- Actuarial Testing
- Significant Transactions

Final Completion Phase (Mid-March)

- Internal review of trial balance
- Final Audit Trial Balance
- Audit Advisory Committee to Review

(f) COVID-19 - Finance Director Polanco

As of September 2, 2020 the expenditures for Covid-19 were \$330,000. It is grant related. Finance has submitted for 2 separate grants to date.

(7) PATH FORWARD**(a) Next AAC Meeting**

An email will be sent to all Audit Advisory Committee Members to check availability for November 2020.

Some topics to discuss at a future AAC meeting:

- Asset Management Policy-Plain language
- Risk Management-Invite a consultant

(8) PUBLIC COMMENT

None Received

(9) ADJOURNMENT

There being no further business, the meeting adjourned at 10:40 AM

Lori Rizzo, Recording Specialist