

City of Gainesville

*City Hall
200 East University Avenue
Gainesville, Florida 32601*



Meeting Agenda

March 20, 2006

1:00 PM

City Hall, Room 16

Audit and Finance Committee

*Mayor Pegeen Hanrahan, Chair
Mayor-Commissioner Pro Tem Chuck Chestnut, Member*

Persons with disabilities who require assistance to participate in this meeting are requested to notify the Equal Opportunity Department at 334-5051 or call the TDD phone line at 334-2069 at least two business days in advance.

CALL TO ORDER**ROLL CALL****ADOPTION OF THE AGENDA****APPROVAL OF MINUTES****051069 Audit and Finance Committee Minutes (B)****RECOMMENDATION**

The Audit and Finance Committee approve the minutes of February 20, 2006, as circulated.

DISCUSSION ITEMS

051070 The Basic Financial Statements, Supplemental Information and Independent Auditors' Report of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2005; Financial Statements and Independent Auditors' Report on the Employees' Pension Fund of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2005; Financial Statements and Independent Auditors' Report on the Consolidated Police Officers and Firefighters Retirement Plan of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2005; the Independent Auditors' Management Letter and Single Audit Reports for the Fiscal Year Ended September 30, 2005; and management's written response. (B)

Explanation: The City's independent auditors, Davis, Monk and Company and Ernst and Young, Certified Public Accountants, issued the following reports:

- 1. The Basic Financial Statements, Supplemental Information and Independent Auditors' Report of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2005;*
- 2. The Financial Statements and Independent Auditors' Report on the Employees' Pension Fund of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2005;*
- 3. The Financial Statements and Independent Auditors' Report on the Consolidated Police Officers and Firefighters Retirement Plan of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2005; and*
- 4. The Independent Auditors' Management Letter and Single Audit Reports for the Fiscal Year Ended September 30, 2005.*

In the opinion of the independent auditors, the basic financial statements referred to in item 1 above represent fairly, in all material respects, conformity with generally accepted accounting principles.

In the independent auditors' opinion, the financial statements referred to in items 2 and 3 above present fairly, in all material respects, the net assets available for benefits as of September 30, 2005, and the changes in net assets available for benefits for the year then ended in conformity with generally accepted accounting principles.

Item 4 relates to the basic financial statements from item 1. As part of the audit process the independent auditors issue "management letter comments" along with several other reports related to internal control structure; compliance with certain provisions of laws, regulations, contracts and grants, and internal control structure and certain requirements applicable to federal and state financial assistance programs.

The auditors' report related to General Government includes one reportable condition related to internal control over the City's procurement card program. Management's written response to this comment, as well as an update on the current status of two prior audit findings is included for your review and acceptance. Management's response indicates they agree with the auditors' recommendation and have developed a plan of corrective action on that finding to be implemented by the applicable City departments and overseen by the City Manager.

The auditors' Management Letter on Internal Control related to Gainesville Regional Utilities indicates that there were no recommendations in the current year. The auditors also provide a status report indicating three prior year recommendations have been addressed or are no longer relevant.

In accordance with Section 6(b) of Resolution 970187, City Auditor Responsibilities and Administrative Procedures, the City Auditor has reviewed the attached statements and reports to ensure that contractual terms have been fulfilled and transmits these reports with a recommendation for City Commission acceptance.

RECOMMENDATION

The Audit and Finance Committee recommend that the City Commission accept the subject financial statements and audit reports; receive the Independent Auditors' Management Letter and Single Audit Reports; and accept management's written response.

051071

Review of the General Government Purchasing Process (B)

Explanation: In accordance with our Fiscal Year 2006 Annual Audit Plan, we have completed a review of the General Government Purchasing Process. Our

report and the City Manager's response are attached for your review.

We request that the Committee recommend the City Commission accept our report and the City Manager's response. Also, in accordance with City Commission Resolution 970187, Section 10, Responsibilities for Follow-up on Audits, we request that the Committee recommend the City Commission instruct the City Auditor to conduct a follow-up review on recommendations made and report the results to the Audit and Finance Committee.

RECOMMENDATION

The Audit and Finance Committee recommend that the City Commission: 1) Accept the City Auditor's report and the City Manager's response; and 2) instruct the City Auditor to conduct a follow-up review on recommendations made and report the results to the Audit and Finance Committee.

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MEMBER COMMENT

CITIZEN COMMENT

NEW BUSINESS

ADJOURNMENT