

**Bowling Green Audit Committee**  
*Regular Meeting*  
**January 5, 2009**

The Bowling Green Audit Committee convened in a regular meeting at 3:30 p.m. on January 5, 2009 in the City Hall Commission Chamber. The meeting was called to order by Chairman Charles Hays. Members of the Committee present were: Audit Professionals Charles Hays and Harold Wills and General Business member James Martens. Absent: General Business member Jean Cherry, Commissioner Brian Strow and Ex-Officio member City Manager Kevin DeFebbo. Also present were Internal Auditor Deborah Jenkins, Commissioner Bruce Wilkerson, Chief Financial Officer Jeff Meisel, Comptroller Wilma Brown and Assistant City Clerk Ashley Jackson. There was a quorum of the board present.

**Approval of Minutes.**

Chairman Hays announced that the first item of business was to approve the minutes of the December 15, 2008 special meeting, which were mailed with the agenda to the members for their review prior to the meeting. Motion was made by Mr. Wills and seconded by Mr. Martens to accept the minutes as written. The minutes were approved as written by unanimous vote.

**Evaluate responses to the RFP for External Audit Services.**

Chairman Hays explained that the first item of business was to discuss the RFP for External Audit Services and that it was one of the most important decisions the Audit Committee would be deciding upon. The Committee reviewed and discussed the three responses and after much discussion the Committee determined that Mountjoy and Bressler, LLP submitted the best proposal based upon the criteria. Motion was made by Mr. Wills and seconded by Mr. Martens to approve Mountjoy and Bressler, LLP as the external auditor for Fiscal Years 2008/2009 with the option to renew up to four additional years; also to include in the contract partner rotation after completion of the 2009 audit and onsite manager rotation after 2010 audit are completed. Mountjoy and Bressler, LLP was approved for external auditing services by unanimous vote. The Committee further recommended that the Internal Auditor Ms. Jenkins contact another City that contracted with Mountjoy and Bressler, LLP for a reference of satisfaction based upon the company and its representatives. Ms. Jenkins confirmed she would contact another City and report back to the Committee as soon as possible.

**Discuss 2008 BGPD Narcotics Burn.**

Furthermore, Ms. Jenkins discussed her involvement in the process of the narcotics burn for a third year. Ms. Jenkins and Evidence Custodian for the Bowling Green Police Department examined all items marked for disposal and compared the case numbers to the ones provided on the Bowling Green Narcotics Disposal (BGND) form. All hazardous material was removed from the boxes and then sealed with tamper proof evidence tape, signed and dated and then taken for destruction. On December 17, 2008 Ms. Jenkins, Naomi Matthews and Major Marieca Brown witnessed 460 units of narcotics related evidence being destructed at the Gallatin Steel Company in Ghent, Kentucky.

**Discuss Russell Sims Aquatic Center Audit.**

In addition, Ms. Jenkins reviewed the Russell Sims Aquatic Center Audit. She identified the objectives to include the following: 1.) identify strengths and weaknesses; 2.) ensure fees were properly charged, collected and recorded; 3.) inventory is properly recorded; 4.) provide recommendations to management to assist in improving overall control environment. The results of the audit concluded that the inventory and resale should be properly accounted for, prepared food at concession stand should be discounted to customers at the end of the day, internal controls over cash handling needs improvement,

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additional surveillance cameras should be installed and standard group admissions procedure should be created. Mr. Hays and Mr. Wills both recommended a break down of food versus other sales, so that the Committee could see the actual expenses and revenues. The audit concluded that the internal controls and cash controls should be improved and concession and resale inventories had been tracked for the very first time however the reports were not complete or accurate. Management made several improvements since Recreation Division Manager took over in 2007, but included in the report were recommendations that would assist management in continuing to improve the overall control environment and operations of the aquatic center. The Committee suggested a follow-up of the aquatic center opening season 2009. Ms. Jenkins confirmed that it was already in her plans for the year.

Ms. Jenkins also discussed the follow-up of the Golf Audit. She stated that she had been waiting to review the inventory process and after reviewing the process, she noticed that the beer sales at Crosswinds were a continued issue. The question was about the number of beer in the cooler did not match the inventory that was recorded in the software. The golf course actually had more beer than what was accounted for. She also indicated that Riverview and Crosswinds had implemented an access keypad for the beer storage unit. Ms. Jenkins stated that she would be following up and report back with the final recommendation at the next regular meeting.

**Presentation of the 2008 Annual Audit Report.**

An Annual Report prepared by Ms. Jenkins was discussed and briefly summarized. The report provided the Internal Auditor’s activity summary for 2008. Ms. Jenkins explained that she had performed the Golf Operations Audit, Section 8 Housing Choice Voucher Program Audit and the Petty/Departmental Cash Audit. Also, she explained that she had advisory services, special requests, training, administration and other miscellaneous tasks throughout the year. Furthermore, she indicated her indirect audit hours included 9% Holiday, 9% Vacation, 14% Sick, 2% Personal, 10% Training, 49% Administration and 7% Other. The direct audit hours included 12% Golf Operations Audit, 2% Verification of Narcotics Disposal, 24% Audit of Housing Assistance, 6% Audit of Petty Cash, 12% Advisory Services, 17% Audit of Aquatics, 6% Audit Follow Up and 21% Special Requests.

**The next quarterly meeting is scheduled at 3:30 p.m. on April 6, 2009**

Chairman Hays announced the next quarterly meeting date.

**Adjournment.**

There being no other business to be conducted, at 5:08 p.m. Chairman Hays declared the meeting adjourned.

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Date Approved

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Charles Hays, Chairman

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Ashley Jackson, Assistant City Clerk