

**Bowling Green Audit Committee**  
*Regular Meeting*  
**October 6, 2008**

The Bowling Green Audit Committee convened in a regular meeting at 3:30 p.m. on October 6, 2008 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, General Business members Jean Cherry and James Martens, Commissioner Brian Strow and Ex-Officio member City Manager Kevin DeFebbo. Absent: none. Also present were Internal Auditor Deborah Jenkins, Intern for Internal Auditor Courtney Amos, Chief Financial Officer Jeff Meisel, Comptroller Wilma Brown and Assistant City Clerk Ashley Jackson. There was a full quorum of the board present.

**Approval of Minutes.**

Chairman Hays announced that the first item of business was to approve the minutes of the July 7, 2008 regular meeting, which were mailed with the agenda to the members for their review prior to the meeting. Motion was made by Mr. Martens and seconded by Mr. Wills to accept the minutes as written. The minutes were approved as written by unanimous vote.

**Discuss Petty/Departmental Cash Audit.**

Ms. Jenkins reviewed the Petty/Departmental Cash Audit results and concluded the following: 1.) Police should consolidate to one administrative petty cash fund, 2.) Golf Division petty cash needs proper segregation of duties, 3.) the Petty Cash Policy should be revised and there should be clear lines of management responsibility, and 4.) approved petty cash funds should be monitored periodically by Senior Management to ensure continued need and amount. Ms. Jenkins also indicated that the Finance Department would now be responsible for monitoring Petty Cash and revising the Petty Cash Policy.

Also, Ms. Jenkins further explained that the objective to the Petty Cash/Departmental Cash Fund Audit was to a) confirm the existence, amount and current custodian of each of the petty/departmental cash funds, b) determine that the reconciled cash balance in the department agrees with the general ledger, c) determine that the Petty Cash Fund Policy is being adhered to, and d) establish the validity for continued need and appropriate dollar level of the various funds.

**Discuss draft RFP for External Audit Services.**

The next item of discussion was the Request for Proposal (RFP) for External Audit Services and Ms. Jenkins stated that this would be a new process for the Internal Auditor and the Committee to implement. The City of Bowling Green currently uses External Auditor Mountjoy & Bressler, LLP however the agreement would expire after completion of the 2008 Fiscal Year Audit. Ms. Jenkins said that she had been working with the City Attorney and Finance Department to create a drafted RFP. She asked the Committee if they would prefer to review the proposals first or if the staff should review them first, and then once an evaluation was completed by the appropriate staff members, the Committee could review all proposals. After much discussion, the Committee concluded that the staff should review the proposals first and the final evaluation should come from the Audit Committee. Also, it was confirmed that all questions from possible bidders would be sent to the Purchasing Agent and then the Purchasing Agent would send all questions to Ms. Jenkins and the Finance Department to answer and respond to each bidder; whether or not a business sent in a question, the City would be sure that all businesses received the questions and answers.

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Mr. Hays questioned what businesses would be sent information regarding the RFP and Ms. Jenkins confirmed that she would be sending to any and all external auditing companies. She planned to contact various other cities for references, as well as use past bidders and advertise.

**Discuss progress on Russell Sims Aquatic Center Audit.**

Next item of business was the update from the Russell Sims Aquatic Center Audit. Ms. Jenkins reviewed that the objectives were very similar to the Golf Audit. She did not have an official report of the audit completed, but the Committee should plan to discuss the audit and view a complete report at the January regularly scheduled meeting.

**Discuss Corporate Express Review.**

Lastly, Ms. Jenkins briefly informed the Committee of a misunderstanding that had occurred regarding a memo that was written by Purchasing Agent Jennifer Portmann to POE staff. The memo stated that a contract had been signed with Corporate Express, an office supply vendor, and Ms. Jenkins reported that she met with the Purchasing Agent, her supervisor Assistant City Manager/City Clerk Katie Schaller and City Attorney Gene Harmon to determine the best solution on how to clear up the misunderstanding. The Purchasing Agent was informed to send an updated memo to all POE's to clarify that a contract had not been signed with Corporate Express and that only a governmental discounted rate had been established. Ms. Jenkins did receive confirmation that Ms. Portmann had sent the clarification memo and that the situation had been resolved.

**The next quarterly meeting is scheduled at 3:30 p.m. on January 5, 2009.**

Chairman Hays announced the next quarterly meeting date.

**Adjournment.**

There being no other business to be conducted, at 4:30 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