

MINUTES
FORT MYERS BEACH
AUDIT COMMITTEE
Town Hall
2525 Estero Boulevard
Fort Myers Beach, FL 33931

Monday, May 9, 2022

I. CALL TO ORDER

The meeting was called to order at 9:05 a.m. by Chair Steele.

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

Members present: Richard Cote (via phone), Edward Lombard, Jim Steele and Bryan Thomas.
Council Liaison: Ray Murphy
Staff Liaison: Cheri Russ

IV. APPROVAL OF MINUTES – January 12, 2022 and April 11, 2022

(The January 12, 2022 minutes were approved as amended at the April 11, 2022 meeting; however, the Town Attorney stated four members were needed for a quorum.)

MOTION: Audit Committee Member Lombard moved to approve the January 12, 2022 minutes as amended; second by Audit Committee Member Thomas.

VOTE: Motion passed unanimously.

Audit Committee Member Lombard questioned what Mr. Sansbury meant by the yellow book report in the April 11, 2022 meeting. Liaison Russ replied that she would find out.

MOTION: Audit Committee Member Lombard moved to approve the April 11, 2022 minutes; second by Audit Committee Member Thomas.

VOTE: Motion passed unanimously.

V. PUBLIC COMMENT – no public comment.

VI. ITEMS FOR DISCUSSION

A. Final Audit Results

Liaison Russ noted that they did not have the Attorney's letter yet, but the audit would not change. Audit Committee Member Cote questioned where the auditor's opinion letter was located in their packet. Liaison Russ stated that the auditors would present the final audit when the Attorney's letter was received.

Audit Committee Member Lombard noted that the town's financial position improved significantly over the 2019-2020 audit. Chair Steele agreed that the town was in excellent financial condition. Audit Committee Member Thomas clarified the material increase in the principle of the note for FY 2027. Town Manager Hernstadt explained how the note was structured.

Chair Steele stated they would have another meeting before June 6, 2022, to recommend or not recommend approval of the audit.

Audit Committee Member Lombard noted that accounts receivable and accounts payable were material weaknesses repeated from last year. Liaison Russ explained that staff turnover and the accounting system made fixing entries challenging. She described what happened with accounts payable and accounts receivable and noted that the process would be adjusted to prevent the same material weaknesses from appearing in the future. Town Manager Hernstadt indicated that four people covered the Finance Department and received support from a contracted CPA director.

Town Manager Hernstadt stated that the auditors indicated the result was a clean opinion.

B. Scope of Work for Audit Bid

Audit Committee Member Lombard questioned "performing a 20 minute" on page 3 and why the selection committee's role was not explained. He pointed out errors in the rest of the document. Liaison Russ discussed the bid timeline and noted a final decision had to be made by October 1, 2022.

VII. MEMBER ITEMS AND REPORTS

Audit Committee Member Lombard commented that the Town Attorney stated the Audit Committee needed four members for a quorum even though they only had four members. He believed that establishing a quorum was based on the number of active members and referred to Robert's Rules of Order. Liaison Murphy responded that the town recently received several membership applications, which would bring the number back to seven. He recommended that the Audit Committee keep the membership number at seven instead of reducing it to five. Audit Committee Members agreed to keep the membership at seven.

Audit Committee Member Cote requested that the auditor's opinion be emailed to Audit Committee Members and Mr. Sansbury be available for the next meeting.

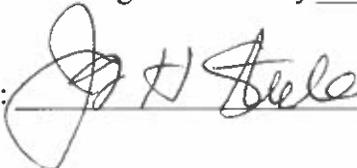
No items from other members.

VIII. NEXT MEETING – May 24, 2022

IX. ADJOURNMENT

Chair Steele adjourned the meeting at 9:47 a.m.

Adopted 5/24/22 with/without changes. Motion by LOMBARD
(DATE)

Vote: _____ Signature:  CHAIRMAN

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