

**AUDIT COMMITTEE MEETING
FEBRUARY 17, 2010
TIME: 5:30 P. M.**

The meeting was called to order by Chairman Jones at 5:30 P.M.

PRESENT: Chairman Jones, Citizens Pamn Henderson, Hope Guthrie, Harry Johnson;
Public Works Director Adams, City Attorney Duncan, City Clerk Bernal.
ALSO PRESENT: Utilities Superintendent Doug Smith who will be replacing Public Works
Director Adams.

APPROVAL OF MINUTES:

Mr. Whitey Adams moved to approve the Minutes of the 02-09-10 meeting. Second by Ms. Henderson.

All aye

BUSINESS ITEMS

ITEM # 1. REVIEW AND RANK RFP's FOR AUDIT SERVICES

Chairman Jones reported that at the last meeting the Committee thought it would be good to have Finance Director Alice Bennett come to this meeting and give us her opinion of the audit. Ms. Bennett reported the process went a lot smoother this year in that they worked at City Hall instead of the Arts and Conference Center. The Audit went very smooth, we had new people on the staff. Katherine Lynn, who is a partner, was in and out and there were two other individuals who were brand new which meant we had new eyes looking at everything. There were no areas of non-compliance, no internal controls to consider. Ms. Bennett then asked if anyone had any questions. Commissioner Jones stated Ms. Lynn had mentioned the single audit and the grant administration and asked how that was settled. Ms. Bennett explained because it was a "federal assist" we were subject to a single audit, not only to audit the City but to assure USDA the City also met the requirements of assistance. Mr. Adams asked if she felt comfortable with the auditors. Ms. Bennett replied, yes, they were tough; the lead person was an auditor and he was very knowledgeable. Commissioner Jones asked if she felt a thorough audit was done; Ms. Bennett stated yes, it was very thorough and she had a lot of respect for them as a firm. Chairman Jones thanked Ms. Bennett and advised her she could be excused so the Committee could review the RFP's.

Each member of the Audit Committee pointed out positives and negatives they had found in the RFP's during their ratings process prior to this meeting. Each member then stated what their rating was and how the three firms came out in rank: 1, 2, or 3 (with #1 being the top choice). O'Sullivan-Creel was ranked #1 with a total of 6; CRI was ranked #2 with a total of 9; and SaltMarsh was ranked #3 with a total of 15. Ms. Henderson moved to accept O'Sullivan-Creel as the firm with the lowest rankings of 1, 2, and 3. Second by Mr. Adams.

All aye

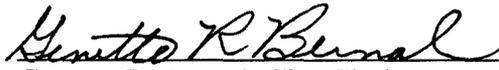
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Chairman Jones then introduced Utilities Superintendent Doug Smith who will be replacing Public Works Director Adams as a member. City Attorney Duncan stated we will do a resolution at the next commission meeting officially appointing Mr. Smith to replace Mr. Adams. He then asked that each member introduce themselves and give a brief outline of their background to Mr. Smith. After each member had introduced themselves, Mr. Doug Smith stated he had ISO auditing experience in the auto industry.

PUBLIC PARTICIPATION

Mr. John Malone stated he wished to commend the Committee on the auditors they selected; then provided information on his written evaluation of the RFP's for audit services.

The meeting was adjourned at 6:30 p.m.



Genette R. Bernal, City Clerk