

**AUDIT COMMITTEE MEETING  
JANUARY 19, 2010  
TIME: 5:30 P. M.**

The meeting was called to order by Chairman Jones at 5:32 P.M.

**PRESENT:** Chairman Jones, Citizens Pamn Henderson, Public Works Director Adams, City Attorney Duncan, City Clerk Bernal.  
Citizens Guthrie and Johnson absent.

Public Works Director John (Whitey) Adams submitted his resignation as a member of the Audit Committee effective no later than 2-25-10 due to his retirement date (2-28-10) from the City. Chairman Jones, on behalf of the Audit Committee, expressed appreciation to Mr. Adams for serving on this committee, stating he will be missed.

**APPROVAL OF MINUTES:**

City Attorney Duncan requested that the minutes for the 12-14-09 Meeting be tabled to the next meeting, then provided wording for clarification of these minutes. Ms. Henderson moved to approve the Minutes of the 12-1-09 meeting and table the 12-14-09 Minutes to the next meeting for clarification. Second by Mr. Adams.

Ms. Henderson, Mr. Adams, and Chairman Jones - aye  
Ms. Guthrie and Mr. Johnson absent

**BUSINESS ITEMS**

**ITEM # 1. STATUS OF CURRENT AUDIT: Katherine Lynn (Carr, Riggs & Ingram)**

Chairman Jones asked Ms. Lynn to provide an update and status of the current audit. Ms. Lynn stated that being located at City Hall was very helpful in expediting the audit; the AWT audit has already been received and they are now drafting statements for the City; and the audit went very well. She asked if any members of the Audit Committee had any questions on this year's audit or the audit process. Commissioner Jones asked if audits are ever done quarterly. Ms. Lynn stated some do "field work" about three months before the audit is conducted which is called "interim testing" in the contract. Ms. Lynn asked if any member of the Committee knew of any or had been approached by anyone regarding any knowledge of fraud. Members present stated they had not been contacted by anyone. Ms. Lynn stated she has an engagement letter which she will leave with the City Attorney; and provided information on the necessity for a "single audit" at a cost of approximately \$4300 which is subject to Federal guidelines because of the amount of money received on the Public Safety Building from USDA. She provided information on two areas of concern she will be addressing in the audit concerning compliance with the bond documents and grant administration. Ms. Henderson asked if the auditors did any fraud inquiries of the employees; Ms. Lynn responded yes, they do it every year. Chairman Jones thanked Ms. Lynn for her report.

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**PUBLIC PARTICIPATION:**

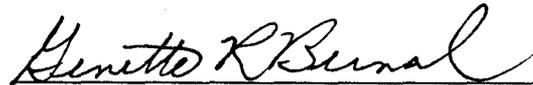
Mr. Charles Watson, Poston Road, addressed the Committee on issues with drainage in East Bay and other issues with actions of the City Commission. Chairman Jones advised Mr. Watson this was an issue for the Commission, not this committee.

Ms. Henderson moved to adjourn. Second by Mr. Adams.

Ms. Henderson, Mr. Adams and Chairman Jones - aye

Ms. Guthrie and Mr. Johnson absent.

Meeting was adjourned at 6:10 P. M.



Genette R. Bernal, City Clerk