

**City Council Finance/Audit Committee  
Wednesday, February 1, 2017 - 1:00 PM  
City Manager's Conference Room**

**Summary Notes**

1. Call to Order – The meeting was called to order at 1:02 p.m.
2. Roll Call: Committee Members Present: Councilmember Al Adam and Mayor Pro Tem Andrew P. Fox. Also present: City Manager Andrew Powers, Deputy City Manager/Human Resources Director Gary Rogers, Finance Director John F. Adams, Accounting Manager Fay Menkin, City Auditor Earl Garland, and Deborah Harper, Partner and CPA of Lance, Soll and Lunghard, LLP.
3. Public Comments – None
4. Finance Director John F. Adams gave a summary on the Agreed-Upon Procedures Audit Review results on four areas: Executive Team Compensation, Credit Card Purchases, Fuel Inventory and Vendor Contracts. Deborah Harper, Partner and CPA of Lance, Soll and Lunghard, LLP, briefly discussed some observations from each area and that no fraudulent activity was uncovered. She also indicated that LSL will complete their review of wire transfers in the near future. John F. Adams indicated that he may have LSL perform additional Agreed-Upon Procedures in the upcoming year. Mayor Pro Tem Andrew P. Fox recommended that the audit results be presented to City Council.
5. Finance Director John F. Adams discussed the role of the Internal Auditor and gave some examples of cash collections from prior audits emphasizing that the City had saved, or recovered, revenue in excess of \$6.0 million since 2001. He gave an example of the Police Vehicle Credit, which generated a refund of \$309,000 from the Ventura County Auditor Controller. He also gave an update on the Fraud Hotline. Initially, 6-7 calls were received, all Human Resources related, and have been resolved.
6. Finance Director John F. Adams presented the Fiscal Year 2015-16 Financial Reports, discussing the revenues and expenses in the General Fund. City Manager Andrew Powers discussed the increase in fund balance, a result of the economy improving and salary savings due to staff turnover, mostly from retirements, but he also emphasized that the City still faced long-term challenges. Finance Director John F. Adams discussed the General Fund fund balance and talked about the different categories of reservations

noting that \$18.6 million had been assigned to the City's Pavement Management Program.

7. The City's External Audit Partner, Deborah Harper with Lance, Soll and Lunghard, LLP, met alone with Councilmember Al Adam and Mayor Pro Tem Andrew P. Fox to discuss the Fiscal Year 2015-16 audit results.
8. Next Meeting Date – To be determined
9. Adjournment - The meeting was adjourned at 2:15 p.m.

