



City of Urbandale  
Audit Committee of the City Council  
March 21, 2011

**Audit Committee Members**

- ✓ Robert Andeweg, Mayor  
Mary Polson, Council Member
- ✓ John Forbes, Council Member
- ✓ Donald J. Brush, Public Member / City Treasurer

**Meeting Summary and Action Taken**

The Audit Committee of the Urbandale City Council met on Monday, March 21, 2011, in Conference Room A adjacent the Council Chambers at the Urbandale City Administrative Offices, 3600 86<sup>th</sup> Street, Urbandale, Iowa. Audit Committee Members in attendance were Mayor Robert Andeweg, Council Member John Forbes, and Public Member Donald J. Brush. Also in attendance was A. J. Johnson, City Manager and Nicole Lamb, Finance Director for the City of Urbandale. The meeting was called to order at 7:33 AM by Chairperson Brush.

The agenda for the meeting was accepted and approved by a motion from Andeweg and seconded by Forbes.

The minutes of the Audit Committee meeting for December 7, 2010 were reviewed and approved by the Committee on a motion made by Forbes and seconded by Andeweg.

First item of discussion by the Audit Committee was the appointment of the City's external auditors for the current fiscal year ending June 30, 2011, and for subsequent years. Each member of the Committee had previously been provided with a copy of a letter received from Eide Bailly LLP, CPAs, who submitted two proposals for continuing to perform the audit for the City. One of the proposal options was for a three years engagement commitment and the second option for five years. Both proposals also individually separated the annual bid amounts between a quote for the basic audit of the city only and a quote for the special A-133 Federal audit if required by the City.

Following further review and discussion by the Committee, a motion was made by Forbes and seconded by Andeweg to accept the proposed five year bids from Eide Bailly LLP to perform the audit for the City of Urbandale. The Committee's recommendation will be forwarded to the City Council for approval at their April 5, 2011 meeting.

The Finance Director than provided the Audit Committee with an update on the following items for which documentation had previously be provided each of the Committee Members.

1. **Ethics Policy** – It was reported that forty-five out of seventy of the ethics policy acknowledgements have be received back as of this time. The initial requests for the individual acknowledgements from each of the City's Board and Commission members was originally provided them in December 2010. Consideration was given to having the

City liaison staff member remind each of the Board and/or Commission members at their next respective meetings as to the City's policy requirements as to having an acknowledgement returned for the records. Council member Forbes indicated that there might be some problem in the "electronic" responding capabilities of the acknowledgement form and inquired as to whether there had been any other individuals noting such a problem. After further discussion, it was recommended that another "request for a response" message be sent to those Board & Commission members that have not responded stressing the importance and necessity of returning the acknowledgement to assure compliance with the City's ethics policy. It was further recommended that such a follow-up message be sent by the Chairperson of the City's Audit Committee.

2. **Capital Projects Closeouts/Transfers** – The Committee was provided with a current updated list of the capital project closeouts for which the Finance Director has reviewed the individual projects with the City's Engineer and his staff.
3. **I-Cash Usage** – The Finance Director provided and reviewed with the Committee a report of the I-Card usage since June 2010 summarized by month as to the type of transactions and the respective City department handling the transaction. There have been over twenty-one thousand dollars in transactions since the program was adopted in June of last year.
4. **OPEB Actuarial Study** – The Committee was advised that arrangements have been made for the next bi-annual actuarial review and analysis that is needed in establishing the calculations for the City's reportable OPEB obligations as required under GASB Statement No. 45.
5. **Procurement Card Policy** – Each member of the Audit Committee was provided, prior to the meeting, with a copy of the proposed Procurement Card Program Policies and Procedures. The Finance Director further reviewed and discussed in overall provisions of the policy and the controls that will be implemented with the adoption of the procurement card program. The Finance Director indicated that contact was made with some of the other governmental entities in the area as to determining the types of controls, procedures, and policies they have either considered or have established.

*Council Member Forbes asked to be excused for the meeting at 7:55 AM.*

The Finance Director reviewed the procedures and methods for identifying and establishing the Department Coordinators that will be accountable for maintaining the control records and the issuance of the procurement cards to the employees within their respective departments. The Committee was also advised as to the procurement card cardholder agreement that each employees using the card will be required to sign and abide-by each time that they check-out a card from their department coordinator.

Following the discussion and responses to the questions and observations by the Audit Committee members, it was recommended that the Procurement Card Policy be forwarded to the City Council for approval at their April 5, 2011 meeting.

With no others items being brought before the Committee for consideration, the Audit Committee meeting was adjourned at 8:03 AM with the motion being made by Andeweg and seconded by Brush.