



**CITY OF PLACENTIA  
FINANCIAL AUDIT OVERSIGHT COMMITTEE  
401 E CHAPMAN AVENUE  
PLACENTIA, CA 92870**

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## **MEETING AGENDA**

October 10, 2011 7:00 P.M.

**ROLL CALL** - Benuzzi, DeRose, Larson, McCallick, and Mooberry

**PUBLIC COMMENT**- The public is invited to address the Committee concerning any item on the agenda.

- 1. Approval of Minutes of the April 11, 2011 Financial Audit Committee Meeting**
- 2. Approval of Minutes of the June 8, 2011 Financial Audit Committee Meeting**
- 3. Approval of Minutes of the August 8, 2011 Financial Audit Committee Meeting**
- 4. Selection of Chairman and Vice-Chairman for the Financial Audit Oversight Committee**
- 5. Update on the Fiscal Year 2008-09 and 2009-10 Corrective Action Plans for the Redevelopment Agency Financial Statements, Single Audit report and Management Report**
- 6. Status of Fiscal Year 2010-2011 Audit**

**COMMITTEE COMMENTS** -

**STAFF COMMENTS** -

**ADJOURNMENT** - To the next regular meeting of the Financial Audit Oversight Committee on January 9, 2012 at 7:00 P.M.

"In compliance with the Americans With Disabilities act, if you need special assistance to participate in this meeting, please contact the Finance Department at (714) 993-8237 at least forty-eight (48) hours prior to the meeting to allow the City to make reasonable arrangements to ensure accessibility to this meeting."

**\*\*\*CERTIFICATION OF POSTING AGENDA\*\*\***

I, Karen Ogawa, Secretary to the Financial Audit Committee, hereby certify that the agenda for the meeting was posted on October 6, 2011.

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Karen Ogawa, Secretary

CITY OF PLACENTIA  
FINANCIAL OVERSIGHT AUDIT COMMITTEE  
MINUTES  
REGULAR MEETING OF APRIL 11, 2011  
COMMUNITY MEETING ROOM

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**CALL TO ORDER:** Chairman Benuzzi called the meeting to order at 7:09 p.m.

**ROLL CALL:**

Present: James Benuzzi, Craig Green, Mark McCallick, David Mooberry  
Absent: None

**PUBLIC PRESENT:** None

**STAFF PRESENT:** Karen Ogawa, Director of Finance; Mike Nguyen, Finance Services Manager; Scott Nelson, Mayor; Constance Underhill, Councilmember; Troy Butzlaff, City Administrator; Patrick Melia, City Clerk; Teri Knutson, Administrative Assistant

**COMMENTS –** None

1. **Approval of Minutes – MOTION** by Chairman Benuzzi, to approve the minutes of March 14, 2011. **SECONDED** by member Green **MOTIONED CARRIED (3-0-1)** (Mooberry abstain).

2. **Installation of New Committee Members**

City Clerk Patrick Melia installed new Financial Audit Committee members Dwayne DeRose and Kevin Larson.

3. **Update on Fiscal Year 2008-2009 and 2009-2010 Corrective Action Plan for the Redevelopment Agency Financial Statements, Single Audit Report and Management Report -**

Karen Ogawa informed the Committee that there were no changes to Corrective Action Plans from the last meeting of March 14, 2011. They were taken to City Council for receive and file per direction of the Committee.

4. **Discuss Request for Proposal for Audit Services / Extension of Contract with current Auditor for Fiscal Year 2010-2011 Audit –**

Chairman Benuzzi stated that he had spoken to Kevin from Vavrinek, Trine, Day & Co. and they are not interested in exercising their mutual option under the current contract; however, they would like to be on the bidders list.

**MOTION** by Chairman Benuzzi to recommend to City Council that the contract to Vavrinek, Trine, Day & Co., for auditing services not be extended for the Fiscal Year 2011-2012 **SECONDED** by member Mooberry, **MOTION CARRIED (4-0-1)** (Larson abstain).

Karen Ogawa reviewed the RFP for auditing services with the Committee.

A discussion took place on the feasibility of changing the due date of the RFP to a later date; it was decided to leave the proposed deadline at April 20<sup>th</sup>. Troy Butzlaff suggested the only schedule change should be that the RFP will be brought to City Council at the June 7<sup>th</sup> meeting, with the contract beginning on June 8<sup>th</sup>.

Chairman Benuzzi requested that Committee members receive a copy of the monthly progress reports from the auditing firm; Mayor Nelson requested that Council members receive a copy as well.

#### **5. Selection of Ad-Hoc Committee for Auditing Services RFP Selection**

Chairman Benuzzi stated that Craig Green will be stepping down from the Audit Oversight Committee as he has been appointed City Treasurer. Do to this appointment the committee is required to select a new member for the Ad-Hoc Committee for Auditing Services RFP selection process.

**MOTION** by member Larson to replace member Green with member DeRose on the Ad-Hoc committee for auditing services RFP selections. **SECONDED** by member Mooberry, **MOTION CARRIED (5-0-0)**.

**COMMITTEE COMMENTS:** Member McCallick inquired as to the backgrounds of the new members. Members DeRose and Larson gave a brief statement as to their backgrounds.

#### **STAFF COMMENTS:**

Troy Butzlaff thanked Craig Green for serving on the Financial Oversight Audit Committee.

Karen Ogawa distributed to the committee a list of policies/procedures for the Finance Department. Chairman Benuzzi requested that when policies/procedures are completed that they be forwarded on to the committee members for review.

**ADJOURNMENT: MOTION** by member Mooberry, to adjourn to the next regular meeting on Monday, July 11, 2011 at 7:00 p.m., **SECONDED** by member McCallick, **MOTION CARRIED (5-0-0)** The meeting adjourned at 8:47 p.m.

CITY OF PLACENTIA  
FINANCIAL OVERSIGHT AUDIT COMMITTEE  
MINUTES  
REGULAR MEETING OF JUNE 8, 2011  
COMMUNITY MEETING ROOM

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**CALL TO ORDER:** Chairman Benuzzi called the meeting to order at 7:01 p.m.

**ROLL CALL:**

**Present:** James Benuzzi, Dwayne DeRose, Kevin Larson, Mark McCallick,  
David Mooberry

**Absent:** None

**PUBLIC COMMENT:** Craig Green stated that he hopes the Audit Committee that is chosen does a good job.

**STAFF PRESENT:** Karen Ogawa, Director of Finance; Mike Nguyen, Finance Services Manager

**COMMENTS – None**

**1. Discussion/Recommendation to City Council of Auditing Firm for Auditing Services F/Y 2010-11, F/Y 2011-2012 and F/Y 2012-2013**

Chairman Benuzzi explained the process to the committee members stating that seven firms were reviewed and the list was narrowed down to three. The top three were interviewed on May 21<sup>st</sup> then the Ad-Hoc committee came up with their recommendations. Member Larson informed the committee that his current employer is under contract with Haskill & White. Chairman Benuzzi requested that member Larson recuse himself from the voting of the auditing firm so that there is no conflict of interest. Member Larson didn't believe that this was a conflict of interest but it was up to the committee. The committee decided that member Larson should recuse himself. Member Larson stepped out during the proceedings for the selection of the audit firm.

Chairman Benuzzi reviewed the questions that were asked to each auditing firm. A discussion took place on the three firms selected. Member McCallick stated that Macias, Gini & O'Connell LLP has a strong background in municipal government auditing and Haskill & White also has a very good reputation; and from his experience both of these companies are very solid in city government. Member McCallick has never heard of Teaman, Ramires & Smith.

Member DeRose stated that the Ad-Hoc committee recommends Haskill and White as the cities auditing firm.

**MOTION** by member DeRose, to recommend that City Council award the Professional Auditing Services contract to Haskill and White **SECONDED** by Chairman Benuzzi **MOTIONED CARRIED (4-0-1)** (Larson abstain).

## **2. Reschedule July 11, 2011 Regular Financial Oversight Audit Committee Meeting**

Do to schedule conflicts the next Financial Oversight Audit Committee meeting will be re-scheduled to Monday, July 25, 2011

**COMMITTEE COMMENTS:** Member McCallick is still curious as to why VTD did not send a letter confirming that they would not be submitting an RFP. Chairman Benuzzi stated that he will contact VTD to inquire as to why they did not send a letter to the City.

**STAFF COMMENTS:** Karen Ogawa stated that staff will bring to the next meeting an update on the corrective action plan.

**ADJOURNMENT: MOTION** by Chairman Benuzzi, to adjourn to a special meeting on Monday, July 27, 2011 at 7:00 p.m., **SECONDED** by member DeRose, **MOTION CARRIED (5-0-0)** The meeting adjourned at 7:42 p.m.

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Karen Ogawa  
Director of Finance

CITY OF PLACENTIA  
FINANCIAL OVERSIGHT AUDIT COMMITTEE  
MINUTES  
REGULAR MEETING OF AUGUST 8, 2011  
COMMUNITY MEETING ROOM

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**CALL TO ORDER:** Karen Ogawa called the meeting to order at 7:04 p.m.

**ROLL CALL:**

Present: Dwayne DeRose, Kevin Larson, David Mooberry

Absent: James Benuzzi, Mark McCallick

**PUBLIC COMMENT:** None

**PUBLIC PRESENT:** Kevin Gundersen, Haskell & White, LLC; Mark McGready, Haskell & White, LLC

**STAFF PRESENT:** Karen Ogawa, Director of Finance; Mike Nguyen, Finance Services Manager; Troy Butzlaff, City Administrator; Constance Underhill, Councilmember; Eric Hendrickson, Accountant; Andrew Arczynski, City Attorney; Teri Knutson, Account Clerk

**COMMENTS –**

**1. Approval of Minutes of April 11, 2011 Financial Oversight Audit Committee Meeting and June 8, 2011 Special Financial Oversight Audit Committee**

Karen Ogawa stated Chairman Benuzzi was absent and because there is no Vice-Chairman for the Financial Oversight Audit Committee she will read the items on the agenda, and asked the members if they had any comments, questions or discussions about the minutes.

Member Mooberry stated that there were spelling errors in the minutes.

Member DeRose stated he was at a loss here because isn't this suppose to be an AOC meeting, and that nobody from the AOC is here to run the meeting. Troy Butzlaff stated that the Committee serves as the AOC because there are three AOC members in attendance. Member DeRose stated they are supposed to have a Chair or Co-Chair to run the meeting and there is neither. Troy Butzlaff stated that is true; however; there is still a quorum of the Committee. Member DeRose stated that he understands that, but asked who is going to lead the meeting? Andrew Aczynski informed the Committee that of those members present, they will need to select one of the three members to act as Chair for this meeting. Troy Butzlaff stated the person selected would serve as the presiding officer in the absence of the Chair, and that since no Vice-Chair has been selected, which he thought one had, a motion for a Chair can be made for this specific meeting, right now. Troy Butzlaff suggested that, before taking action on the minutes, that the Committee take a moment and chooses a chair to preside over this meeting. Troy Butzlaff further

suggested that, if someone would like to make a nomination from the floor and someone would second that motion, the Committee could move forward. Member Larson inquired as to if this was the Acting Chair for just this one meeting? Troy Butzlaff stated that it would be only for this one meeting since the Chairman is not here. Troy Butzlaff once again asked for a nomination. Member Larson nominated Member DeRose; Troy Butzlaff asked for a second to the nomination, Member Mooberry abstained, Member DeRose stated that he didn't know if it was fair to nominate himself. Member DeRose stated that this is an unusual situation, and with so much going on with the Brown Act and so many comments, he does not feel comfortable leading the meeting or being named Vice-Chair.

Troy Butzlaff asked City Attorney Andrew Arczynski what he recommended.

Mr. Arczynski recommended that someone be selected as the temporary presiding officer for the purpose of this meeting and, at the next meeting, Staff will be instructed to have an agenda item for selection of a Vice-Chair. Troy Butzlaff stated that he just tried to accomplish that and the Committee heard the results, so unless there is another plan, Mr. Butzlaff stated that he doesn't see another person to fulfill the position, unless someone else is prepared to make a nomination and second that nomination, therefore, he stated that the Committee is at a stalemate.

Councilmember Underhill inquired as to whether the nomination should go by seniority?

Karen Ogawa stated that if the position was selected by seniority, the person with the most seniority would be Mr. Mooberry. Troy Butzlaff stated, once again, that this is only a temporary assignment for the purposes of running this specific meeting, and if Member Larson would like to make another nomination maybe there will be a second to that nomination, so the Committee could continue its business. Member Larson nominated Member Mooberry, Troy Butzlaff asked for a second to the nomination; Member DeRose stated that, he would not second and that he feels uncomfortable doing this without having it officially done. Mr. Arczynski asked Mr. Mooberry if he would like to second the nomination; Member Mooberry asked if he meant second himself? Mr. Arczynski said yes; Member Mooberry abstained the nomination.

Troy Butzlaff stated that the Committee has made two nominations, neither of which has been seconded. He asked if there was a need to have a presiding officer or can Staff just go through the agenda? Mr. Arczynski stated that is what is going to need to occur, to just have the agenda called out as it is set forth in the printed order of the agenda. Troy Butzlaff inquired whether the Committee members were comfortable with this process. Member DeRose again stated that this is an AOC meeting and should be run by an AOC Committee member and this is not happening. Troy Butzlaff stated that two attempts have been made to select a presiding officer for this one specific meeting and a presiding officer has not successfully been selected. He further stated that he supposed that, as City Administrator, he could report back to the Mayor that the three members in attendance decided that they couldn't conduct a meeting because there was no Chairman present. Troy Butzlaff further stated that he was not certain that the Committee would want that to be reported back to the Mayor and the rest of the City Council. Member DeRose stated

that he's fine with that and he once again stated that he does not feel comfortable moving forward as the Committee has not publicly announced a Co-Chairman or Vice-Chair.

Councilmember Underhill stated that as long as there are no items that require a vote, everything could be put off to the next agenda, and this meeting could be an informational meeting only, led by the Secretary. Troy Butzlaff stated that the only items on the agenda that require a vote are the minutes and those could be deferred until the next meeting; all the other items are just informational, that could be heard by the three members present. Troy Butzlaff stated that there is a quorum in attendance, therefore, if members present would like to hear the informational items and not take a vote on any issue that is perfectly acceptable because there are no other items that need to be voted on, with exception of the minutes. Members DeRose, Larson and Mooberry agreed to listen to the items without voting on the minutes. Troy Butzlaff informed the members that Staff will be giving the Committee information that the City Council has requested be passed along to them.

## **2. Brown Act Overview**

Mr. Arczynski presented an overview of the Brown Act. Mr. Arczynski suggested that the Committee adopt a policy pertaining to time limits on the public comments section of their agendas; five minutes is usually the norm. Mr. Arczynski reviewed the voting process stating that all votes are open and public, and that these votes are not to be conducted on a piece of paper or by secret ballot, that they need to be public and the members state their vote. With regards to abstaining on a vote, it is inappropriate to do so unless the member believes they have a conflict of interest; abstaining on a vote because a member does not want to hurt somebody's feelings isn't a wise thing, the basic rule of law is that abstention is an assent for concurrence with the will of the majority. Mr. Arczynski reminded the Committee that if an item is not on the agenda, it cannot be discussed at the meeting.

Member DeRose inquired as to who would be notified if the Committee believed a situation required an executive session/closed session?

Mr. Arczynski stated that should the Committee believe there was an legitimate need for an executive session, they would direct their inquiries through Staff and Staff would pass the information to the City Attorney; he would analyze it and present a written response to Staff and the Committee as to his findings as to whether or not an executive session of the items is appropriate or not appropriate. Member DeRose asked if it had to go through Staff. Mr. Arczynski stated that traditionally Staff has been the funnel to get requests to his office due to the number of Committee/Commission members in the city, the City Attorney's office could be inundated with requests for legal advice and the costs would add up. Councilmember Underhill stated that the City Attorney works for the City Council and the City, not any single commission; to use the City Attorney by necessity the City Council would be notified because it is incurring an expense.



Member DeRose stated that he understands that with regards to City Council, requests would go through Staff but would that apply to Committees who feel they need the legal services for an executive session?

Mr. Arczynski stated that if the chair, for whatever reason, wanted to notify the council through the Audit Sub-Committee to bring an item to the City Council he can; the problem with that is that Mr. Arczynski requires all the facts and all the information before he can render an opinion about whether it is a legitimate subject that would require an executive session or it isn't, or is there some other mechanism that takes time and the best approach is to have Staff route it to the sub-Committee or to the mayor.

Member DeRose stated that the bottom line for the decision for the Committee to call an executive session, is that the Committee either goes to Staff or Council to make the request for these legal services.

Councilmember Underhill stated that is correct because Staff prepares the agenda for the Committee. Member DeRose stated that he was just trying to understand the rules because this has come up many times since he has been on the Audit Committee.

Councilmember Underhill stated that Council or the City Attorney decides as to whether the request is within the purview of the Committee as put together by the council.

Mr. Arczynski explained what a legislative body is; a legislative body also includes standing committees and sub-committees of the body. The City Council has the AOC sub-Committee which is comprised of Mayor Nelson and Councilmember Underhill; it's a standing Committee that is subject to the Brown Act. If two councilmember's attend an Audit Oversight Committee meeting to discuss issues, then the meeting will need to be noticed and conducted under the Brown Act, as well. If two members of the Audit Oversight Committee want to meet to discuss issues and they've been designated as a Committee, they are subject to the Brown Act.

Member DeRose inquired as to whether a Committee of two is subject to the Brown Act?

Mr. Arczynski stated yes, that it is still subject to the Brown Act because it is a sub-Committee.

Troy Butzlaff inquired whether an Audit Oversight Committee sub-committee would be subject to the Brown Act.

Mr. Arczynski stated yes. Member DeRose stated that, his understanding was that once the auditors were selected, that that Committee was dissolved and essentially they would move on because the task was completed. Troy Butzlaff stated that, yes that on this issue the sub-committee that was formed completed its mission which was to go through a recruitment process to find a new audit firm and to make a recommendation to the Committee as a whole and ultimately the City Council; that objective has been completed

so the sub-committee is not longer needed. In the past, there was a standing Committee of the Audit Oversight Committee that met on a regular basis directly with the auditors. If the Committee wanted to do that again, they would have to put it on the agenda, formally approve it and it would still be subject to the Brown Act.

Member Larson inquired, as far as setting the agenda for the Audit Oversight Committee, should they have ideas or suggestions that should they be going to Mr. Benuzzi directly or directly to the Staff member who will then contact the chair and establish the agenda?

Mr. Butzlaff stated that the safest way to avoid a potential Brown Act problem is to go directly to Staff, and then Staff will communicate with the Chairperson; that way members are not directly talking to another member of the legislative body, since potentially a third person could get involved and thus the group would have just committed a Brown Act violation. Member Larson asked if Staff talked to Mr. Benuzzi about agenda items. Karen Ogawa stated that she does discuss the agendas with the Chairman. Mr. Butzlaff stated that there are items that may be requested to be on the Audit Oversight Committee agendas that cannot be discussed because they are not within the scope of the Audit Oversight Committee's mission and that is the reason why Staff has distributed the City Council approved Mission Statement of the Audit Oversight Committee to the Committee. Staff is working to adhere to the Committee's Mission Statement in order to avoid any problems that may occur down the road. For example, recently it was requested that the State Controllers' Review of the Redevelopment Agency be placed on the Audit Oversight Committee's agenda. This is outside of the scope of what the Audit Oversight Committee does, as identified in its mission statement, because it was an external agency's review of the Redevelopment Agency. This Committee's responsibility is for the internal audit. If the Committee disagrees, it should go back to the Council or Sub-Committee, and state that the Committee believes these items should be included. It will then be a matter for City Council to decide if they wish these matters to be under the Audit Oversight Committees purview.

Troy Butzlaff stated that one issue he has discussed with the auditors is the need for them to be independent, while at the same time, being able to have conversations with the Audit Oversight Committee without Staff being present and it's kind of an awkward balance because the Brown Act calls for transparency, openness and public involvement. Troy Butzlaff explained that he has told the auditors to feel free to talk to the Audit Committee, but to be mindful that this must be done under the auspices of the Brown Act, which requires open and transparent meetings. The meetings will have to be recorded and the Staff member who is responsible for taking minutes can stay to take the minutes; that way if a person feels uncomfortable talking in front of Staff, they can have more of an open-dialog without Staff present.

Member DeRose stated that it seems that if the meetings are recorded then the discussion might as well be public to everyone in the meeting and why should Staff leave because they are going to hear what is said anyway, and further asked if his understanding is correct? Mr. Butzlaff stated that unless the Committee is asking questions or making statements that rise to the level of malfeasance or fraud, then at that point, as City

Administrator, he would hope that members would not feel the need to have that discussion during a meeting given the sensitive nature of the matter.

### **3. Introduction of new audit firm, Haskell & White, LLC**

Karen Ogawa introduced Ken Gunderson and Mark McGready from the auditing firm of Haskell & White LLC.

### **4. Fiscal Year 2010-2011 Audit Schedule and Timeline**

Ken Gunderson updated the Audit Committee on how the company administers their audits and what has been happening thus far. They have been working with Staff for the last couple of weeks to do some planning and checking of internal controls and to test some of those controls. The auditors plan on having a closing meeting with Staff later on in the week or the beginning of next week to go over their findings and discuss anything that was found. If applicable, this would include giving preliminary recommendations to strengthen controls. Haskell & White is tentatively planning to come back the week of September 26<sup>th</sup> to conduct the audit. He stated that he expected it would take two weeks to do their substantial testing and then another week to do reporting. He anticipates having a draft of the financial statements available by October 15<sup>th</sup> and to issue the final report no later than November 18<sup>th</sup>. Mark McGready stated that the draft of the financial statements by October 15<sup>th</sup> will include draft of the fund financials. The following week, they will have the government wide financial statements and the notes drafted.

Member DeRose inquired as to whether, when auditors find things or have questions, do they wait for a meeting or do the auditors just deal with Staff directly?

Ken Gunderson stated that when they find any errors, they bring it to the attention of Staff immediately. Member Mooberry inquired as to whether the Committee members were going to get a copy of the audit program and will they get status reports as to where the company is at and what the auditors have accomplished in the program. Mr. Gunderson stated that they are open to any communication that the Audit Committee would like; the audit program is more detailed and is something that they wouldn't typically provide, but if that is the reporting that the Committee wants, it is completely up to the Committee, via Staff, to request from them what the Committee would like to see. He further explained that, typically, after audit firms finish their interim work, they report back on what they have found, and what they did and the Audit Committee is more than welcome to ask questions. He then further stated that, any level the Committee wants them to report back, they will be more than happy to do that. Member Mooberry stated that he thinks they would be interested in seeing what the scope of the audit program is and the firm's progress as it progress through it.

Member Mooberry stated that if any issues come up the Committee would like to be apprised of them.

Mr. Gundersen stated that is what the exit interview is; it will be everything the auditing firm found and the recommendations on those findings. Mark Mc Gready informed the audit Committee that they have not found any material weaknesses or significant deficiencies, the recommendations that they do have are fairly minor and really just items to help improve operations.

Member Larson inquired as to whether Haskell & White is going to work off last year's management letter.

Mr. Gundersen stated that, yes, that is part of their planning, they talk to the previous auditing firm, they look at all of their findings, work findings, discuss any issues that they had with the City and then based on all that information Haskell & White will tailor their procedures as they deem necessary. They rely on any findings that were in the past to make sure how do those play in, what other controls are there, have those controls been remediated plus any other finding or errors that they found even if there immaterial errors they want to look into that and what was the cause of those errors. Mr. Butzlaff stated that it looks like the exit interview will happen before the end of the month and the next audit Committee meeting isn't until October perhaps we should send this out to you via email and if the Committee feels they need to have a meeting prior to the October 10<sup>th</sup> meeting to go over that than we will wait to hear from the Chairperson to schedule the meeting. Without a scheduled meeting before October 10<sup>th</sup>, it's a long time to wait for that information and then react to it, the auditors will be so far down the road by that time it would be paramount that information be received as early as you can get it. Staff will provide the information to the Audit Committee members as soon as they get it. Mr. Gundersen wanted to let the Audit Committee members know that if they want to hear any concerns that they may have and they want to work with you, but please understand that if you want to delve into a specific issue and that's out of the scope of a normal audit and financial reporting that would be extra work and Haskell & White will have to contact the City and request a change order. Mr. Butzlaff stated just to be clear if (1) an individual Committee member feels they need to speak to you privately you will allow them that opportunity and (2) that it would be in the scope of your work and that there would be no additional charge. Mr. Gundersen stated that if an Audit Committee member has fraud concerns or they have a specific concern like they think that financial statements might be misstated because of specific reason hopefully that would be something that could be brought up at board meeting but if you don't feel that you can they don't want to stifle that communication because it's important for them to hear that as independent auditors.

## **5. Review of Corrective Action Plan**

Karen Ogawa reviewed the Corrective Action Plan with the Committee.

**COMMITTEE COMMENTS:** Member Mooberry requested that Committee members receive copies of the city's financial statements on a quarterly basis. Councilmember Underhill stated that until Karen Ogawa came to the City, the council never received quarterly financial

statement or even annual statements that they expected, in fact almost all reporting was extremely late and full of errors so that is one reason why the Audit Committee didn't receive the financial statements. Council is provided with quarterly financial statements and reports. Karen Ogawa stated that the financial statements/reports are taken to the City Council as a receive and file agenda item. Councilmember Underhill stated that frequently people come to her and say that they went to the City Clerk's office and ask for certain reports; if we don't have a report prepared as an existing report or something on the existing agenda we don't have to give it to the public there is no requirement for Staff to prepare documents to satisfy a public request. Even if a Committee member requested information put together for yourself that is outside of the scope of what normally is prepared.

**STAFF COMMENTS:** Karen Ogawa inquired as to if the Audit Committee members would like to place on the next agenda the election of a Chair and Vice-Chair. The three members in attendance agreed to place it on the next agenda.

**ADJOURNMENT:** Having no Chairperson to conduct the meeting Karen Ogawa called the meeting to an end at 8:38 p.m. The next meeting will be on Monday, October 10, 2011 at 7:00 p.m.

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Karen Ogawa  
Director of Finance