

**AUDIT COMMITTEE  
COUNCIL BRIEFING ROOM, CITY HALL  
203 E. WHEATLAND ROAD  
MARCH 23, 2017 @ 10:00 A.M.**

A meeting of the Audit Committee was held on Thursday, March 23, 2017, at 10:00 a.m. with a quorum present to wit:

Patrick Harvey	Chair and Councilmember	Present
Steven Rutherford	Councilmember	Present
Dennis Schwartz	Councilmember	Present
James Talley	Commissioner	Present
Jerry Frazier	Commissioner	Present 10:45AM
Todd Pruitt	Guest	Present

The meeting convened in the Council Briefing Room and was called to order at 10:00 AM by Chair Patrick Harvey.

The following staff members were also present: Richard Summerlin, Finance Director; Tia Pettis, Asst. Finance Director; Borhan Uddin, Accountant; Jamie Smith, Accountant; Kristin Downs, Admin Asst. to the City Secretary; and Todd Pruitt, representing Pattillo, Brown & Hill, LLP.

**Approval of Minutes:**

A motion was made by Councilmember Dennis Schwartz; seconded by James Talley to approve the minutes from the September 8, 2016 Regular Meeting, passing 4-0 in favor.

**Discuss the Audit of Financial Statements for the year ending September 30, 2016:**

Todd Pruitt discussed the results from the audit, and the responsibility of Pattillo, Brown & Hill to the City of Duncanville. Mr. Pruitt discussed the Government Auditing Standards (GAS) Report and Communication of Governance Report. The City received a clean unmodified opinion. Mr. Pruitt said the City's audit was free of material errors, and no adjustments or management comments were needed. Chair Patrick Harvey said he wasn't surprised in the good report from Mr. Pruitt, with Richard Summerlin providing a monthly financial report to the City Council. This report provides the financial status of the City and makes everyone aware of any forth coming issues that may arise. Todd Pruitt did state he loves working with the City of Duncanville because they are always prepared and have had clean audits with his firm. Richard Summerlin recognized Tia Pettis and staff on their hard work and hours that they put in during the entire auditing process and always going above and beyond in the finance department. Mr. Pruitt also stated the finance staff performed everything on time and very professional. Mr. Pruitt discussed the highlights of the CAFR. There was a question to a transfer of \$1.3 million from the Debt service fund to the General fund. Richard Summerlin received a legal opinion from Bob Dransfield, a prominent bond attorney, who stated as long as we have other debt (Fieldhouse, Water Utility, and DCEDC) then we could transfer funds set aside for debt service

to the General fund. These funds have been used only for one-time expenditures and not ongoing expenses. The legal opinion was based on the City Council's intent to issue debt in the near future. The City Council will look further into this and come to a decision during the budget season. Also discussed were the pension liability and how the recent City changes with TMRS (COLAS and USC) may cause the pension liability to increase in the near future.

Richard Summerlin took time to talk about the internal controls that are currently setup for our employees. A hotline is set up for the employees to call and remain anonymous when a concern arises on the job. Richard Summerlin tested out the call system by submitting a fake claim and this has been the one and only call to the hotline. Mr. Summerlin is working on raising more awareness with posters in the main trafficked areas in the city buildings to encourage the City employees to take advantage of the hotline. James Talley questioned the workings of the hotline and the cost. With Richard assuring him of the setup, remaining anonymous, and how notifications are sent when a complaint is made. The City is partnered with other cities with a contract of about \$2,000 a year.

Chair Patrick Harvey asked Richard Summerlin about the procedures and management changes at the Fieldhouse and if their financial and accounting system is any better or about the same. Richard stated that he will admit at first it was rocky but everything is coming together with staff and it is getting better. The finance department does have access to their financial system to see what is going on.

**City Staff left the room 10:50 AM:**

An evaluation from Todd Pruitt was made on the workings with the Finance staff during the Audit process. Todd stated that he had no issues with the staff, they were top notch and very pleasant to work with. Mr. Pruitt said Richard Summerlin is very conservative about any minor problems and always brings them to attention. Todd Pruitt said his team has stated this is their favorite place to be. Tia is super easy to work with, very knowledgeable, and they never have any issues getting information from her.

**Todd Pruitt left the room and staff returned at 11:01 AM:**

Patrick Harvey asked the staff if they had any concerns working with the Fieldhouse and if they felt the Fieldhouse was making their fiscal responsibilities a priority. Richard Summerlin stated at first with staffing changes it was rocky but going forward he is confident improvement is coming with the hiring of an accountant at the Fieldhouse. Richard stated he would like the new accountant to report to the finance department instead of reporting directly to Craig Brasfield. James Talley asked Richard how this would work and the effect on the finance department. Richard stated that they would help train and shape the accountant on the proper procedures of how the finance department works. James Talley addressed the staffing needs of the Finance Department and if another person was needed. Tia stated it would be nice to have another person however, she also feels confident once there is a stable staff everything will be fine.

Tia Pettis brought up that the 3 year contract with Pattillo, Brown & Hill is almost up and the staff would like to renew again in July.

Councilmember Dennis Schwartz motioned to renew the contract with Pattillo, Brown, & Hill for professional auditing services and Councilmember Steven Rutherford second.

Vote 5-0

A motion and second were made to adjourn the meeting, passing 5-0 in favor, at 11:28 AM.



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Kristin Downs, Administrative Assistant



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Patrick Harvey, Chair