

**AUDIT COMMITTEE  
COUNCIL BRIEFING ROOM, CITY HALL  
203 E. WHEATLAND ROAD  
JULY 18, 2019 @ 8:30 A.M.**

A meeting of the Audit Committee was held on Thursday, July 18, 2019, at 8:30 a.m. with a quorum present to wit:

Patrick Harvey	Chair and Councilmember	Present
Don McBurnett	Mayor Pro Tem	Present
Joe Veracruz	Councilmember	Absent
James Talley	Commissioner	Present
Steve Rutherford	Commissioner	Present

The meeting convened in the Council Briefing Room and was called to order at 8:31 a.m. by Chair Patrick Harvey.

The following staff members were also present: Richard Summerlin, Finance Director; Tia Pettis, Asst. Finance Director; Lauren Tesmer, Accountant; Georcha West, Accountant; Jennifer Otey, Budget Analyst; Kristin Downs, City Secretary; Robert Hager, City Attorney; and Todd Pruitt, representing Pattillo, Brown & Hill, LLP.

**Approval of Minutes:**

A motion was made by Mayor Pro Tem Don McBurnett; seconded by Commissioner James Talley to approve the minutes from the March 25, 2019 Regular Meeting, passing 4-0 in favor.

**Review audit committee policies, procedures and activities, as required annually by City of Duncanville Audit Committee Resolution 2015-111714:**

Commissioner Talley showed concern on the ethics procedures; review with the City's legal counsel any legal matter that could have a significant impact on the City's financial reporting and/or financial policies and other regulatory requirements related to financial disclosures. Chair Harvey stated the Audit Committee is available and willing to help with any legal matters that may affect the budget. Mayor Pro Tem McBurnett questioned how the new software program was moving along. Director Summerlin stated the transition has been smooth; the new system is a big improvement. Director Summerlin thanked the IT Department and staff for all their help and support.

**Review with the City's legal counsel any legal matter that could have a significant impact on the City's financial reporting and/or financial policies and other regulatory requirements related to financial disclosures:**

City Attorney Hager provided the committee with an update on the pending legal matters and provided financial information. Chair Harvey invited City Attorney Hager to return in April of 2020 to provide an update on the ongoing lawsuits. Discussion followed on the new cap on the rollback rate and the significant impact that would result in the upcoming budget.

**Discuss proposals and recommendation of CPA firm for external audit services:**

Director Summerlin stated in fiscal year 2014, Pattillo, Brown & Hill, LLP was selected to perform the City's independent audit and has since completed a five-year engagement (three years, with renewal option on two years). In May 2019, the City sent out a Request for Proposal (RFP) seeking audit services for the annual independent audit. The City received seven responses to the RFP. Pattillo, Brown & Hill, LLP did not submit a proposal. Staff recommends McConnell & Jones, LLP for professional auditing services at \$130,500.00 for three years (\$43,500.00 the first year; \$43,500.00 the second year; and \$43,500.00 the third year). Commissioner Talley requested the Audit Committee can be involved in the future to help select an Auditing Firm to hear their presentations and ask questions to the firms. Commissioner Rutherford questioned if Patillo, Brown & Hill, LLP submitted an offer. Director Summerlin stated the City likes to change Auditing firms every five years and Mr. Pruitt agreed and did not submit an offer.

Mayor Pro Tem McBurnett made a motion to accept McConnell & Jones, LLP as the new auditing firm, seconded by Commissioner Talley. The vote was cast 4 for, 0 against (Councilmember Veracruz absent).

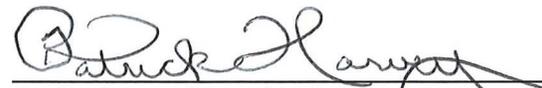
**Executive Session:**

Executive Session was called into session at 9:28 a.m.

The Audit Committee closed the Executive Session at 9:30 a.m.

The meeting was adjourned at 9:30:15 a.m.

  
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Kristin Downs, City Secretary

  
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Audit Committee Chair