

SUSPENSION

ERIE COUNTY LEGISLATURE

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To: Erie County Legislature colleagues

From: Legislator Lynn Marinelli

Re: Audit Committee meeting 7-16-13

Since I was previously scheduled, Ellen Przepasniak of the Legislature staff attended the July 16 Audit Committee meeting. Attached are the notes she took and the documents that were distributed. This item could be referred to the Finance and Management Committee for review and filing. Please note the suggested of legislation to be proposed. Thank you.

Attachments.

OPEN TO SERVE YOU!

Chair - Daniel Ferrone

Vice Chair - Josh Matheim

Secretary - Teresa Fraas

**ERIE COUNTY
AUDIT COMMITTEE MEETING**

JULY 16, 2013

3:00 -4:30 PM Legislature 4th Floor Conference Room

AGENDA

1. Welcome and Introduction of Committee Members
2. Role of the Audit Committee – presented by Thomas Malecki, Partner Drescher & Malecki
3. Handout of the audited financial statements and management letter for Erie Community College for the fiscal year ended August 31, 2012
4. Required Audit Communications
5. Review of 2012 Financial Results and Audit of Erie County
6. Other Matters
 - Erie County Audit staff Continuing Education requirements mandated by Government Audit Standards (GAGAS)
 - Other
7. New Business
 - Schedule of remaining meetings for 2013
8. Adjournment

AUDIT COMMITTEE
Minutes - 7.16.13

1. Welcome and Introduction of Committee Members

- Officers were elected: Daniel Terrone as Chair, Joshua Heim as Vice Chair and Teresa Fraas as Secretary.

2. Role of the Audit Committee - Tom & Luke Malecki from Drescher & Malecki

- The way the charter is written, the Audit Committee's only responsibility is to approve who does the audit, but the committee can be evaluating the report, understand the process of doing the report, and completing the report to the Legislature.
- The Secretary, Teresa Fraas, is the one usually who completes the committee's report.
- Daniel Terrone suggested that the group draft some county legislation to give some extra powers to the Legislature. Drescher & Malecki will draft the legislation and John Mills said he would sponsor it.

3. Handout of the audited financial statements and management letter for ECC for the fiscal year ended August 31, 2012

- No discussion, but ECC has the audit.

4. Required Audit Communications - TABLED

5. Review of 2012 Financial Results and Audit of Erie County - Tom Malecki

- The audit was conducted using generally accepted audit standards.
- In 2012, there was help from sales tax, but property taxes dropped, so there's not much movement in revenue structure.
- Expenses haven't moved more than a percent, considering health care and retirement costs are rising about five percent, so the county is cutting in other places.
- This year, sales is already a bit down in first quarter, but statewide, sales tax is up 1.8 percent, but that increase is downstate where Hurricane Sandy hit.
- No material weaknesses and no significant deficiencies.
- One recommendation: take a closer look at grants and accruals from grants to be proactive so that the money is timely. There's departmental difficulty about what is an accrual for a grant on December 31.
- Another recommendation: succession planning in Comptroller's Office for older staff members.

6. Other Matters

- **Erie County Audit staff Continuing Education requirements mandated by Government Audit Standards (GAGAS):** Requirements for 80 hours every two years for auditors. It's difficult to find training in our local area and difficult to pay for it. John Mills asked if there's a budget line for training and said it should be included in the budget.

- **Other:** Effective this October, one of partners in Drescher & Malecki is retiring.

7. New Business

- Next meeting on September 17 at 3 p.m., then on December 3.
- Teresa Fraas and Daniel Terrone will work on draft of a report, then it will be finalized in September meeting.

8. Adjournment - 3:51 p.m.