

**MINUTES  
FORT MYERS BEACH  
AUDIT COMMITTEE  
Town Hall  
2525 Estero Boulevard  
Fort Myers Beach, FL 33931  
Special Call Meeting**

**Tuesday, August 25, 2020**

**I. CALL TO ORDER**

Meeting was called to order at 9:03 a.m. by Chair Hughes.

Members present: Dick Cote, John Goggin, Dan Hughes, Edward Lombard and Jim Steele (via phone).

Staff Liaison: Senior Accountant Andre Heiting

Chair Hughes requested that Members Items be added to the agenda. Audit Members unanimously agreed.

Accountant Heiting noted that Members must vote on allowing Audit Member Steele to participate via telephone.

Audit Committee Member Lombard moved to allow Audit Committee Member Steele to participate in the meeting via telephone. Finding no objection, Chair Hughes approved his participation by phone.

Audit Committee Member Lombard questioned whether the meeting was officially posted and noted he did not receive an agenda. Chair Hughes stated that the agenda was attached to the email from Director Lange, but he did not see a notice of the meeting. He revealed that the Council Liaison was also unaware of the meeting. Deputy Town Clerk Baker confirmed that the meeting was posted on the website and had been listed for a week. Audit Committee Member Goggin suggested that Social Media & Communications Coordinator Jennifer Dexter improve communication concerning all meetings. Deputy Baker stated that they were redesigning the website.

**II. APPROVAL OF APRIL 28, 2020 MINUTES**

**MOTION:** Audit Committee Member Lombard moved to approve the minutes; second by Audit Committee Member Cote.

**VOTE:** Motion passed unanimously.

Chair Hughes stated that the March 9, 2020 minutes were missing. Accountant Heiting indicated he would investigate.

Chair Hughes presented a report before Town Council on May 4, 2020, regarding actions of the Audit Committee on April 28, 2020. He referred to the conflict between the Selection Advisory Committee and the State Statute on the Audit Committee. Accountant Heiting reported that there were changes to the State Statute, which required changes to the Audit Committee. He advised the Town Manager concerning the change and noted it was subject to review by the Town

Attorney. Chair Hughes reported that Director Lange mentioned that the Chair of the Audit Committee should be the Mayor, but the Mayor was not aware of that change. Accountant Heiting will forward the information to Audit Committee Members.

**MOTION:** Audit Committee Member Goggin moved to request from the Town Attorney a review of the current statute against the previous statute with recommendations as to what changes need to be made to their ordinances; second by Audit Committee Member Lombard.

**VOTE:** Motion passed unanimously.

### **III. DISCUSSION AND APPROVE DELETION OF TOWN INVESTMENT POLICY**

Accountant Heiting recommended that members follow the documents in the packet of information. He included Florida Statute 218415, which noted an investment policy was an option and not a requirement. He discussed the two audit findings as a result of the Town Investment Policy and the continuing education requirement. He explained that the Town already participated in a restricted range of investing and he questioned why they needed the Town Investment Policy. He reviewed current investments and indicated they were well within the range of what was allowable without the Town Investment Policy. Accountant Heiting reported that the Town changed their bank to one that offered a higher interest rate.

Chair Hughes stated that Mayor Murphy did not recall a conversation regarding deleting the Town Investment Policy. Discussion was held regarding continuing education, the Investment Policy, current investments, Section 17, cash flow analysis report, working capital requirements and State Revolving Fund loans. Audit Committee Member Lombard suggested that a periodic cash flow analysis report would be helpful to them and Town Council.

Audit Committee Member Goggin explained why he supported the Town Investment Policy. He did not see any reason to change. Audit Committee Member Cote indicated that the continuing education policy was not a significant weakness and he noted that the Town had a year to fulfill that requirement.

Audit Committee Member Steele questioned why the Finance Director was not in attendance. Accountant Heiting explained that he was working from home due to COVID-19 and was available by phone.

Audit Committee Member Lombard questioned whether the Town Council had the authority to set aside the continuing education requirement. Chair Hughes replied that there was no waiver policy. Audit Committee Member Cote stated that the Town Council had the authority to remove the Town Investment Policy regardless of what the Audit Committee recommended.

**MOTION:** Audit Committee Member Goggin moved to recommend that they continue with the current policy for investments under Resolution 14-13; second by Audit Committee Member Cote.

**VOTE:** Motion passed unanimously.

### **IV. MEMBERS ITEMS**

Audit Committee Member Steele questioned whether the Finance Director was an employee of the Town or a hired consultant. Accountant Heiting replied that he was an employee.

Audit Committee Member Goggin summarized the Selection Advisory Committee meeting regarding new IT services for the Town. Chair Hughes questioned the status of the Accounting and Internal Controls Policy. Audit Committee Member Goggin replied that he did not have an update. Accountant Heiting commented that he was working on a rewrite. Discussion was held concerning the importance of implementing an internal controls policy.

Audit Committee Member Lombard questioned the status of the 2020 audit. Accountant Heiting replied that fieldwork was scheduled to be completed by the auditors in January. Audit Committee Member Lombard pointed out that the loan repayment to the general fund had to be paid by the following year. Accountant Heiting commented that Director Lange would have to address the matter.

Audit Committee Member Goggin thanked Accountant Heiting and staff for his preparation. Chair Hughes agreed.

Chair Hughes questioned the terms of office. Accountant Heiting provided terms for each member and urged them to verify their status with the Clerk's Office. Audit Committee Member Lombard read Section 6 under Statute 18-06 concerning terms of office. He concluded their terms were two years.

Consensus was reached to skip the September meeting. The next regular meeting was scheduled for October 12, 2020, at 9:00 a.m.

## V. ADJOURN

**MOTION:** Audit Committee Member Cote moved to adjourn the meeting; second by Audit Committee Member Lombard.

**VOTE:** Motion passed unanimously.

Meeting adjourned at 10:34 a.m.

Adopted \_\_\_\_\_ with/without changes. Motion by \_\_\_\_\_  
(DATE)

Vote: \_\_\_\_\_ Signature: \_\_\_\_\_

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