

**AUDIT COMMITTEE MEETING**  
**Kiawah Island Municipal Center**  
**Downstairs Conference Room**  
**December 15, 2015; 10:00 AM**

**Minutes**

- I. **Call to Order:** *Mr. Wilson called the meeting to order at 10:00 am.*
- II. **FOIA:** Notice of this meeting has been published and posted in accordance with the Freedom of Information Act and the requirements of the Town of Kiawah Island
- III. **Roll Call:**  
Present:                                 John Wilson, Chairman  
   Andrew Capelli  
   Jim Williams  
   Roland Hoffman
- Also Present:                             Stephanie Tillerson, Town Administrator  
   Dorota Szubert, Town Treasurer  
   Larry Finney, Green, Finney and Horton  
   Emily Sovczak, Green, Finney and Horton
- IV. **Approval of Minutes:**  
A. Minutes of the November 30, 2015 Audit Committee Meeting
- The approval of the minutes was deferred to the next meeting.
- V. **Old Business:**  
None
- VI. **New Business:**  
A. Meet with the Town's Auditors and Discuss the FY 2014-2015 Audit Status and Process
- Mr. Wilson stated an initial draft of the auditor's report had been received and will be discussed along with other matters in the Executive Session.
- VII. **Chairman's Comments:**  
None
- VIII. **Committee Member Comments:**  
None
- IX. **Citizen's Comments:**  
**Wendy Kulick – 38 Marsh Edge Lane**
- Mrs. Kulick commented on the time it took to complete and release the initial forensic audit and the length of time it has taken the complete and release the 2012 audit. She also questioned why the Town decided to do the additional 2012 audit when it earlier stated the audit would only go far enough back to engage the US Attorney.

Mr. Wilson responded by stating that due to difficulty in accessing payroll and other information in 2012 has been exceeding difficult which has accounted for a major portion of the delay. The time consuming process of the thorough verification of information similarly has been a contributing factor. He also indicated the completed report would be in turn turned over to the US Attorney's office.

Mr. Wilson stated as information from the audit was received it became clear that improprieties also existed in 2012. Since the information was not known at the time of the initial audit the decision was made to engage a forensic audit of 2012.

Mrs. Kulick asked if the Audit Committee intended to also audit years prior to 2012.

Mr. Wilson responded by stating the further you try to go back the more difficult it becomes to find usable auditable data. It also becomes very time consuming and therefore very expensive. He indicated there be sufficient data to do an in-house audit of 2011 but the determination has not been made on the need for a 2011 audit.

#### **Dennis McGill – 100 Pleasant Valley Drive**

Mr. McGill questioned why the end of year records for years prior to 2011 were no longer available and how long the Municipality is required to keep those records.

Mr. Wilson responded by stating the records are available in summary form by not in detail. He invited Mr. McGill to submit an FOIA request if he would like a copy of the records available.

Mr. McGill questioned if the audit reporting format will be changed from previous years.

Mr. Wilson stated that it may be similar but not exactly the same.

*Mr. Williams made a motion to move into Executive Session to review 2014/2015 FY audit findings including specific employee irregularities and to review 2012 preliminary forensic audit findings. The motion was seconded by Mr. Hoffman and unanimously passed.*

#### **X. Executive Session:**

- A. To review 2014/2015 FY audit findings including specific employee irregularities
- B. To review 2012 preliminary forensic audit findings.

*Mr. Capelli made a motion to come out of Executive Session. The motion was seconded by Mr. Williams and unanimously passed.*

Mr. Wilson stated that during the Executive Session the Committee reviewed the 2014/2015 Fiscal Year audit findings including specific employee irregularities and reviewed the 2012 preliminary forensic audit findings.

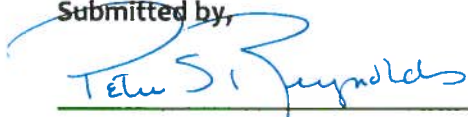
Mr. Wilson stated that no votes were taken and no decisions were made.

The Committee will be making a recommendation relative to the full public presentation of the FY 2014-2015 audit findings and responses of management to the full Town Council on a preliminary date of January 15, 2016 was set subject to review and approval by the Mayor.

**XI. Adjournment:**

*Mr. Capelli made a motion to adjourn the meeting at 12:22 pm. The motion was seconded by Williams and was unanimously passed.*

Submitted by,

A handwritten signature in blue ink that reads "Petra S. Reynolds". The signature is written over a horizontal line.

Petra S. Reynolds, Town Clerk

Approved by,

A handwritten signature in blue ink that reads "John R. Wilson". The signature is written over a horizontal line.

John R. Wilson, Chairman

5/24/16

Date