



City of Corpus Christi

1201 Leopard Street
Corpus Christi, TX 78401
cctexas.com

Meeting Minutes

Audit Committee

Tuesday, June 18, 2024

9:30 AM

City Hall, 6th Floor Conference Room

PUBLIC NOTICE

COUNCIL MEMBER:

Gil Hernandez, Chair

Jim Klein

Everett Roy

Dan Suckley

A. Audit Committee Chair Gil Hernandez to call meeting to order and call the roll

Audit Committee Chair Gil Hernandez called the meeting to order at 9:30 A.M.

Audit Committee Chair Gil Hernandez called the roll and verified the quorum of the Audit Committee and gave notice that Council Member Everett Roy would be arriving late.

Present: Audit Committee Chair Gil Hernandez, Council Member Jim Klein, Council Member Dan Suckley.

Council Member Everett Roy arrived at 9:38 A.M.

B. Public Comment

No public comment.

C. Agenda items:

1. [24-0880](#) Motion to approve April 9, 2024 minutes

A motion to approve April 9, 2024 and April 30, 2024 minutes was made by Council Member Dan Suckley, seconded by Council Member Jim Klein. The motion was carried by unanimous vote.

2. [24-0881](#) Motion to approve April 30, 2024 minutes

A motion to approve April 9, 2024 and April 30, 2024 minutes was made by Council Member Dan Suckley, seconded by Council Member Jim Klein. The motion was carried by unanimous vote.

3. [24-0967](#) Motion to accept AU23 - 002 Engineering and Public Works - Junior Beck Drive Audit Report

A motion to accept AU23 - 002 Engineering and Public Works - Junior Beck Drive Audit Report was made by Council member Dan Suckley, seconded by Council Member Jim Klein. The motion was carried by unanimous vote.

4. [24-0995](#) Motion to accept AU17 - 005 2B Parks and Recreation - Ball Parks and Other Revenue Audit Report

A motion to accept AU17 - 005 2B Park and Recreation - Ball Parks and Other Revenue Audit Report was made by Council Member Jim Klein, seconded by Council Member Dan Suckley. The motion was carried by unanimous vote.

D. Briefings:

5. [24-1013](#) Discuss 2024 Revised Approved Annual Audit Plan

The City Auditor, George Holland, updated the committee on completed and in progress projects per the 2024 Revised Approved Annual Audit Plan. Mr. Holland also acknowledged the Audit Projected Quarterly Completion Dates and explained the reasons for delays in the Emergency Management - Disaster Recovery Audit and the Human Resources - Employee Beneficiary Verification Audit.

The Emergency Management Audit is delayed due to scheduling an Exit Meeting with management. The Human Resources Audit is delayed due to obtaining requested information.

Council Member Everett Roy suggested the CAO be more realistic and re-evaluate the on-going planned audits. Council Member Roy acknowledged that there may be things that come up during an audit that aren't anticipated.

Mr. Holland agreed with Council Member Everett Roy's suggestion and mentioned that the department previously had never kept track of hours spent on an audit for resource planning purposes. However, this is something that has been implemented since Mr. Holland has joined the City Auditor's Office.

6. [24-1009](#) City Auditor's Update

Mr. Holland then moved on to the City Auditor's Update, and mentioned that the City Auditor's Office had their FY25 Budget Proposals first. He also mentioned to the committee that he had met with the Budget Team and the City Manager, Peter Zaroni, on Thursday, June 13, 2024 to review the Budget Decision Package for FY2024-2025. Mr. Holland addressed the items in the Decision Package. Mr. Zaroni informed the committee that he still had 28 other departmental budgets to review prior to approving the CAO budget. Mr. Zaroni notified Mr. Holland and the committee that after budget meetings were complete, he would have a recommendation regarding the City Auditor's Decision Package.

The Decision Package items 1-4 were presented to the Audit Committee.

1. Temporary Auditor - in lieu of Randle Consulting Professional Services
2. Add 1 Intern - Audit Intern
3. Peer Review for Calendar Years 2021 - 2023
4. 5% Reduction - Vacant Auditor Position

Council Member Jim Klein asked Mr. Holland to discuss the success of having an Audit Intern. After Mr. Holland informed the committee that the CAO has had tremendous success with the internship program, Council Member Jim Klein made a motion to approve the Decision Package. However, Audit Committee Chair Gil Hernandez reminded the committee that this was a Briefing (conversational purposes only) and not an Agenda Item (motion for approval or acceptance). Chair Gil Hernandez also recognized the City Auditor's creativity in obtaining intern staff to get the audit work completed. The City Manager mentioned the Decision Package will be approved by the full City Council in the July 30, 2024 Budget Workshop.

The Decision Package was unanimously recommended and fully supported by all Audit Committee members. The City Manager made note that Item 3, Peer Review for Calendar Year 2021 - 2023 is automatically approved as it is required and a mandate. Mr. Zaroni said he would take the agreements and recommendations into consideration when going to City Council with Budget Proposals.

Mr. Holland then acknowledged the CAO Team CPE Tracking Log, notifying the committee the team has exceeded the annual required 40-hour CPE requirement before the due date of December 31, 2024. He then briefly mentioned the Follow-Up Audit Dashboard Recommendation stating no changes or updates have been made. He mentioned 5 out of 7 Fraud Allegations have been closed for the current calendar year. He also informed the committee that these allegations require a lot of time for investigative purposes and are difficult to predict in advance. He concluded by reminding the committee that the next Audit Committee Meeting is scheduled for Tuesday, September 10, 2024.

E. Adjournment

Audit Committee Chair Gil Hernandez adjourned the meeting at 10:47 A.M.