

City of Cupertino
Audit Committee
Special Meeting
February 27, 2017

1. CALL TO ORDER

At 4:03 p.m., Chairman Eno Schmidt called the meeting to order at Conference Room A, Cupertino City Hall, 10300 Torre Avenue, Cupertino CA 95014.

2. ROLL CALL

Committee Members Present: Chairman Eno Schmidt, Mark Zavislak, Peter Shin, Councilmember Steven Scharf and Councilmember Rod Sinks

City Staff Present: Kristina Alfaro, Lisa Taitano, and Mary Redwine

Absent: None

Guests: Kitty Moore

3. APPROVAL OF MINUTES

Committee member Sinks moved to approve the October 13, 2016 and special meeting of November 9, 2016 minutes. Committee member Zavislak seconded and the motion passed unanimously with condition of setting next two meeting dates of March 13 (special meeting) and April 17, 2017 (regular meeting).

4. ORAL COMMUNICATIONS

Kitty Moore as a member of the public commented that she was looking for the Minutes of the Committee and could not find them on the City's website since April of 2016. City staff agreed to investigate

5. NEW BUSINESS

A. Review of Standard Work Plan for Audit Committee in 2017 (last version April 14, 2016)

Chairman Schmidt welcomed Councilmember Scharf to the Committee beginning with this meeting. He then reviewed the latest Standard Work Plan for Audit Committee and suggested moving, a) the Interim report on CAFR by independent auditor from October meeting date to April meeting date and, b) CAFR from January meeting date to October meeting date. Committee was in agreement with these adjustments.

B. Auditor RFP update and subcommittee recommendation

Taitano gave a review of the subcommittee's work and recommendation to engage a new independent Certified Public Accounting Firm to provide audit and related services to Cupertino. Zavislak motioned to accept the subcommittee's recommendation and Taitano's staff report to procure the selection of Crowe Horwath LLP, as Cupertino Auditor, to perform the independent auditor and related services beginning with the City of Cupertino's fiscal year ending June 30, 2017. Committee member Sinks seconded the motion. After additional deliberation and discussion, the motion passed with four votes and Shin abstaining.

C. Treasurer's Report for QE December 30, 2016

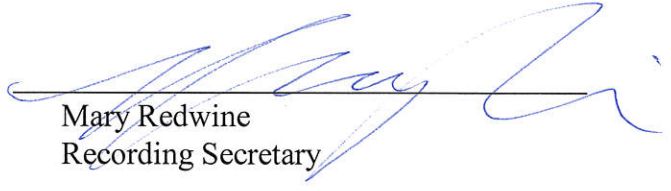
Taitano gave a presentation of the quarter ending December 30, 2016 Treasurer's Investment report to the committee. She included the Wells Fargo asset listing that reconciles with investment portfolio. Alfaro reminded the committee that monthly reporting is also available through Cupertino's transparency portal, OpenGov. Councilmember Sinks motioned to approve the report, Shin seconded, and the motion passed unanimously.

D. Review of Progress on Uncompleted Action Items from Previous Meetings

Chairman Schmidt discussed the schedule entitled "Progress on Uncompleted Action Items from Previous Meetings" that captures action items requested by the Audit Committee but not yet completed by City Staff or others. The Committee accepted City Staff proposal to line out completed items, keep numeration, and underline or otherwise highlight new changes and additions to the schedule as part of the Audit Committee's meeting package. After a discussion Chairman Schmidt and the Committee members asked that David Brandt City Manager be invited to the next meeting in order to discuss how each of the items on the list might appropriately be integrated into the work plan established by the City Manager for the Finance and Accounting department.

6. ADJOURNMENT

Sinks motioned to adjourn with a special meeting of the Committee be scheduled on March 13th at 4:00pm for two hours, and the next regularly scheduled Committee meeting in April be moved and set to April 17th at 4:00pm for two hours. Zavislak seconded with a unanimous approval at 5:42pm.



Mary Redwine
Recording Secretary