

PUBLIC NOTICE AND AGENDA OF THE SPECIAL CITY COUNCIL MEETING SCHEDULED TO CONVENE AT 4:00 P.M., FRIDAY, DECEMBER 9, 2016 IN THE E. L. PURYEAR BUILDING LOCATED AT 243 SOUTH LAKE AVENUE, GROVELAND, FL.

MAYOR	GEORGE ROSARIO	_____
VICE-MAYOR	KAREN MCMICAN	_____
COUNCILMEMBER	JOHN GRIFFIN	_____
COUNCILMEMBER	MIKE RADZIK	_____
COUNCILMEMBER	DINA SWEATT	_____
CITY CLERK	TERESA MAXWELL	_____
CITY ATTORNEY	ANITA GERACI-CARVER, ESQ.	_____
INTERIM CITY MANAGER	RODNEY LUCAS	_____
SERGEANT AT ARMS	CAPTAIN TODD ENGLISH	_____

Please note: Most written communication to or from government officials regarding government business are public records available to the public and media upon request. Your e-mail communications may therefore be subject to public disclosure.

AGENDA

Call to Order

Roll Call

Pledge of Allegiance

New Business

1. Letter of Engagement with McDirmit Davis dated December 5, 2016

Adjournment

Groveland Code of Ordinances Sec. 2-58 (f). Any person desiring to address the council shall first secure the permission of the presiding officer and shall give his name and address for the record. All remarks shall be addressed to the council as a body and not to any member thereof unless permission to do so is first granted by the presiding officer. Unless further time is granted by the presiding officer or the council, members of the public shall limit their discussion or address to no more than five minutes. No question shall be asked a councilmember or city official except through the presiding officer. If your address is exempt from public record you are not required to state it. In addition do not give out your Social Security Number, phone number, email address or any other information you do not want others to have access to as the meetings are recorded and those recordings are considered public record.

Pursuant to the provisions of Chap. 286, F.S., Sec. 286.0105, if a person decides to appeal any decision made by this body with respect to any matter considered at this meeting, he or she will need a record of the proceedings, and that for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record may include the testimony and evidence upon which the appeal is to be based and is advised to make such arrangements at his or her own expense.



REQUEST FOR CITY COUNCIL CONSIDERATION

MEETING DATE: December 9, 2016

ITEM NUMBER: 1

AGENDA ITEM: Letter of Engagement with McDirmit Davis dated December 5, 2016

CITY GOAL: Establish a sound and sustainable government supported by professionalism, progressive thinking and modernizing the organization.

PREPARED BY: Anita Geraci-Carver, City Attorney
--

DATE: December 6, 2016

BACKGROUND: On November 29, 2016 Council directed a proposal be brought forward to Council from McDirmit Davis, the City's current auditor, to conduct an audit of the City credit card transactions as well as checks written to employees outside of the payroll system commencing January 1, 2012 thru November 29, 2016.

On December 5, 2016 McDirmit Davis provided a letter of engagement which is attached. As the letter explains due to the large volume of credit card transactions for the approximately 4 year period, to review each and every credit card transaction will cost the City closer to \$20,000. McDirmit Davis can review a sampling of 295 credit card transactions plus all loans to employee transactions with its fees ranging between \$10,000 and \$14,000.

The audit will be completed by December 30, 2016.

STAFF RECOMMENDATION: Motion to Approve Letter of Engagement with McDirmit Davis based upon a credit card sample of 295 transactions and examining all loans to employee transactions at a cost not to exceed \$14,000.00.

REVIEWED BY CITY MANAGER:

COUNCIL ACTION:

MOTION BY:

SECOND BY:

"The city with a future, watch us grow!"

MCDIRMIT // DAVIS
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

December 5, 2016

City Council
City of Groveland, Florida
156 S. Lake Avenue
Groveland, FL 34736

We are pleased to confirm our understanding of the services we are to provide for *The City of Groveland*. This letter will confirm the nature and limitations of the services we will provide and the various responsibilities and other terms of the engagement.

We agree to apply procedures below to employee credit card transactions, as well as loans made to employees for the period from January 1, 2012 through November 30, 2016. These procedures will be applied for the purpose of reporting our findings in regards to the results of the procedures performed to the City Council. The procedures we will perform have been agreed to by the specified parties to this engagement listed as follows: The City Council. These agreed-upon procedures are enumerated as follows:

- A. We will examine supporting documentation for all credit card purchases for 17 employees as follows. For the credit card statement date of October 2, 2016, there were 66 transactions for all employees, which included 40 pages of supporting documentation. So if we estimate that the remaining 58 months will have average of 50 transactions per credit card statement, then there will be an estimated total 2,966 transactions to review. It is not realistic or cost-effective to examine all of these transactions because of how long it will take. In most agreed-upon procedures engagements, we would come to an agreement with the Council regarding how big of a sample we would examine. The other possibility is to examine a certain number of transactions per month for certain employees and a different number for other employees. If we examined 5 credit card transactions per month for the 59 months. Our sample size would be 295.
- B. We will examine supporting documentation for checks written to employees besides payroll checks. The total number of these kind of checks written each year has been estimated to be about 40-50 per year, so it is reasonable to look at documentation for all checks as long as estimate is correct.
- C. We will verify that credit card purchases were for City business and properly included in the budget.
- D. We will verify that employee has not exceeded their limit set for credit card purchases

We will conduct our engagement in accordance with the attestation standards for agreed-upon procedures engagements of the American Institute of Certified Public Accountants. The specified parties listed above, which is the City Council, is solely responsible for the sufficiency of the agreed-upon procedures for their purposes. Therefore, we make no representation as to the sufficiency of these procedures for the purposes of the specified parties or for any other purpose. The agreed-upon procedures are not designed to constitute an examination or review of the subject matter. Therefore, we will not express reasonable or limited assurance on the subject matter. We have no obligation to perform any procedures beyond those agreed to by the specified parties as enumerated in this letter of engagement. If, for any reason, we are unable to complete the procedures, we will not issue a report as a result of this engagement.

MCDIRMIT DAVIS & COMPANY, LLC

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

Our procedures are also not designed to detect error or fraud that is immaterial to the subject matter information. However, we will inform you of any material errors or fraud that come to our attention, unless clearly inconsequential. Our responsibility is limited to the period covered by our procedures and does not extend to matters that might arise during any later periods for which we are not engaged. At the conclusion of our engagement, we may also request certain written representations from you about the subject matter information and related matters. We will present a written report listing the procedures and our related findings. This report will be intended for use by and restricted to the use of the specified parties as identified above, and our report will contain such restricted use language. We will maintain the confidentiality of your personal information and apply procedures to protect against any unauthorized release of your personal information to third parties.

We will issue a written report upon completion of the performance of the agreed upon procedures. Our report will be addressed to The City Council of the City of Groveland. We plan to start the engagement on December 8, 2016 and complete by December 30, 2016.

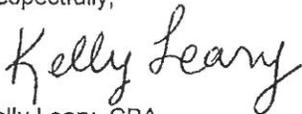
Kelly Leary is the engagement partner for the services specified in this letter. Her responsibilities include supervising McDirmit Davis & Company's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the agreed-upon procedures report.

We estimate that our fees for the engagement will range from \$10,000 to \$14,000. This is based upon doing a credit card sample of 295 transactions and examining all loans to employee transactions. If we examined all credit card transactions, the fee would be closer to \$20,000. We will notify you immediately of any circumstances we encounter that could significantly affect this fee.

Please sign and return this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement including our respective responsibilities.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Respectfully,



Kelly Leary, CPA
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of by:

Title: _____

Date: _____