

MINUTES

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

ADMINISTRATIVE COMMITTEE

Thursday, August 26, 2010

1:33 p.m.

SEWRPC Office Building
Commissioners' Conference Room
W239 N1812 Rockwood Drive
Waukesha, Wisconsin

Present:

Excused:

Committee Members:

Adelene Greene, Chair
Thomas H. Buestrin
James Dwyer, Vice-Chairman
Richard A. Hansen
Nancy Russell
Daniel S. Schmidt
David L. Stroik
John F. Weishan, Jr.
Gustav W. Wirth, Jr.

Staff:

Kenneth R. Yunker	Executive Director
Elizabeth A. Larsen	Business Manager
Debra A. D'Amico	Executive Secretary

Guests:

Robert W. Kabitzke	David L. Scrima, S.C.
--------------------	-----------------------

ROLL CALL

Chair Greene called the meeting to order at 1:33 p.m. Roll call was taken and a quorum declared present with all Commissioners present.

On a motion by Mr. Wirth, seconded by Mr. Dwyer, and carried unanimously, the agenda item, "Discussion of 2010 Audit" was moved to take place after the approval of the minutes.

APPROVAL OF MINUTES OF JULY 22, 2010 MEETING

Chair Greene asked if there were any changes or additions to the July 22, 2010, meeting minutes.

On a motion by Mr. Dwyer, seconded by Mr. Schmidt, and carried unanimously, the minutes of the Administrative Committee meeting held on July 22, 2010, were approved as published.

DISCUSSION OF 2010 AUDIT

Mr. Yunker noted that at the June 24, 2010, Administrative Committee meeting, the Commissioners had asked that the auditor, Mr. Robert Kabitzke of David L. Scrima, S.C., meet with the Committee to discuss in more detail the level of audit that Mr. Kabitzke conducts for the Commission and possible alternative audit levels that may be performed.

Mr. Kabitzke began the discussion with a diagram (copy attached to official minutes) which illustrates three levels of government and non-profit audits as required by the Government Auditing Standards. He explained the three audit levels shown on the diagram, and indicated that the Commission must comply with the Single Audit OMB Circular A-133, the most comprehensive level of audit conducted.

During Mr. Kabitzke's presentation, the following questions and comments were made and addressed:

1. In a response to an inquiry by Mr. Stroik, Mr. Kabitzke stated that the Commission could choose to work with a different auditor every few years; however, the time and cost of the audit may be expected to increase as an auditor must become familiar with the financial records and accounting procedures of an organization.
2. In response to an inquiry by Mr. Stroik regarding fraud and embezzlement prevention, Mr. Kabitzke stated that he assesses the internal control practices each audit period and has discovered no problems to date. He then described a sound audit control system as having one employee record receipt of an accounts payable invoice, another employee approves the accounts payable invoice, and an additional employee prints the accounts payable checks. Mr. Yunker stated that current internal controls are as follows: he reviews all incoming mail including invoices; Ms. Larsen then reviews all invoices; the Commission bookkeeper then routes all invoices to Division Heads for approval; the Commission bookkeeper then enters all approved invoices into the accounts payable system; the checks to be paid are then reviewed by both Ms. Larsen and Mr. Yunker; and, the checks are then printed and reviewed again by Ms. Larsen and Mr. Yunker. The Administrative Committee then provides additional oversight through review of the check registers.
3. In response to an inquiry by Mr. Yunker related to whether there are other improvements or best practices that could be initiated to prevent fraud, Mr. Kabitzke added that the only additional assessment that could be made is testing accounts payable invoices by sampling a percentage of the invoices and ensuring that the payments are made to a valid Commission vendor.
4. In response to an inquiry by Ms. Russell concerning forensic auditing, Mr. Kabitzke stated it is practice to bring in a forensic auditor when evidence of fraud or embezzlement has been discovered.

August 26, 2010

5. Mr. Hansen inquired about the Commission's government or non-profit status with regard to the Internal Revenue Service Form 990. Mr. Kabitzke stated, that the Commission, as a governmental agency, does not need to complete the Form 990.
6. In response to an inquiry by Mr. Wirth regarding whether audits of the Commission are done by the State or Federal government, Mr. Kabitzke stated that the State of Wisconsin reviews the Commission's audit every two to three years. This audit is generally conducted at his office.

There being no further questions or discussion, Chair Greene thanked Mr. Kabitzke for his informative presentation and discussion.

APPROVAL OF DISBURSEMENTS

Chair Greene asked Ms. Larsen to review with the Committee the recent disbursements.

2010 Reporting Period No. 15

Ms. Larsen distributed copies of the Check Register for the 15th financial reporting period of 2010, July 5 to July 18, 2010.

In response to an inquiry by Ms. Russell, Ms. Larsen indicated the payment listed on page 1 of the register to CDW Government, Inc. is payment for computer equipment. Ms. Russell then asked about the payments listed on page 2 of the register made to El Conquistador Latino News, Inc., Hunter & Sommers, LLC, and Johnson Insurance. Ms. Larsen stated that the payment made to the El Conquistador was for a meeting notice of the Environmental Justice Task Force (EJTF). The payment made to the Hunter & Sommers, LLC, was for legal services involving an Equal Employment Opportunity Complaint filed by the American Civil Liberties Union against the Commission. And the payment made to Johnson Insurance was for the employee practices and liability insurance premium for July, 2010 to July, 2011.

In response to an inquiry by Ms. Russell, Ms. Larsen indicated that the payment listed on page 3 of the register to MRA/The Management Resource Association, Inc. was a fee for Ms. Larsen to attend a human resources continuing education class. Then, Ms. Russell inquired about payment to the Milwaukee Times Weekly News also listed on page 3, and Ms. Larsen explained that this was payment for a meeting notice of the EJTF.

There being no further questions or comments, on a motion by Mr. Dwyer, seconded by Ms. Russell, and carried unanimously, the Commission disbursements for the 15th reporting period of 2010 were approved.

Chair Greene, Ms. Russell, and Mr. Yunker then affixed their signatures to the Check Register for the 15th reporting period of 2010 (copy attached to Official Minutes).

2010 Reporting Period No. 16

Ms. Larsen distributed copies of the Check Register for the 16th financial reporting period of 2010, July 19 to August 1, 2010.

In response to an inquiry by Ms. Russell, Ms. Larsen indicated the payment listed on page 1 of the register to Avaya, Inc. is payment for the monthly maintenance of the Commission's telephone system.

Ms. Russell inquired about a reimbursement listed on page 1 under Central Office Systems, Corp. Ms. Larsen stated that the wrong sized staples had been purchased for the copy machine and were returned for a credit.

In response to an additional inquiry by Ms. Russell, Ms. Larsen indicated the payment listed on page 2 of the register to Card Services is payment for miscellaneous travel expenses incurred by Mr. Yunker. Ms. Russell then inquired about another listing on this same page of the register. Ms. Larsen noted that the payment made to Hanna Rubber Company was for replacement rubber tubing needed for the Commission's traffic counters. Ms. Russell then inquired about a related expense for traffic counting equipment listed on page 4 to TimeMark Incorporated. Ms. Larsen indicated that the payment was for a new traffic counter. The Commission Transportation Division has begun preliminary traffic counts in preparation for the Origin and Destination Travel surveys, which will formally begin in 2011.

In response to an inquiry by Chair Greene, Ms. Larsen said that the payment listed on page 5 of the register to Elizabeth Larsen is a portion of her home internet expense that allows for her to connect to the office computer from home.

There being no further questions or comments, on a motion by Ms. Russell, seconded by Mr. Schmidt, and carried unanimously, the Commission disbursements for the 16th reporting period of 2010 were approved.

Chair Greene, Ms. Russell, and Mr. Yunker then affixed their signatures to the Check Register for the 16th reporting period of 2010 (copy attached to Official Minutes).

2010 Reporting Period No. 17

Ms. Larsen distributed copies of the Check Register for the 17th financial reporting period of 2010, August 2 to August 15, 2010.

In response to an inquiry by Ms. Russell, Ms. Larsen indicated the payment listed on page 1 of the register to Central Office Systems is payment for maintenance of the Commission's color copier.

In response to a second inquiry by Ms. Russell, Ms. Larsen said the payment listed on page 2 to Neopost USA, Inc. is payment for rental of the Commission's postage meter equipment. Ms. Russell inquired about the payment made to Regency Office Products on the same page. Ms. Larsen noted that this payment was for office supplies and included a reimbursement for a return of incorrectly purchased supplies.

In response to an additional inquiry by Ms. Russell, Ms. Larsen indicated the payment listed on page 3 of the register to Toner Sales & Service, Inc. was for the purchase of two desktop color printers. Also on page 3, Ms. Russell inquired about a payment made to West Bend Mutual Insurance Co. Ms. Larsen said the payment was for the Commission's business insurance policy, covering the period of July, 2010 to July, 2011.

There being no further questions or comments, on a motion by Mr. Schmidt, seconded by Mr. Dwyer, and carried unanimously, the Commission disbursements for the 17th reporting period of 2010 were approved.

Chair Greene, Ms. Russell, and Mr. Yunker then affixed their signatures to the Check Register for the 17th reporting period of 2010 (copy attached to Official Minutes).

REVIEW OF STATEMENT OF REVENUES AND EXPENDITURES FOR PERIOD ENDING AUGUST 15, 2010

Copies of the Statement of Projected Revenues and Expenditures for the period ending August 15, 2010, were distributed for Committee review. Chair Greene asked Ms. Larsen to review with the Committee the

financial status of the Commission accounts as of the end of that period. Ms. Larsen commented that the period covered represented about 63 percent of the calendar year. She then called attention to the following items:

1. Federal and State revenue entries have not changed from the report presented at the July meeting.
2. The service agreement revenues remain unchanged with the exception of the transportation service agreement revenues which have decreased from the July meeting report. This decrease is related to work performed for the Wisconsin Department of Transportation (WisDOT) traffic forecasting projects. Any of the WisDOT Traffic forecasting funding not used in 2010 may be carried forward to 2011.
3. The expenditure data on the statement reflects 17 reporting periods, or 32 weeks of the calendar year. The projection of expenditures through the end of the year reflects a surplus of about \$229,000, an increase from last month. That increase is expected to decline throughout the remainder of the year.
4. The liability, operating, and reserve accounts reported on the statement remain unchanged from the July report and reflect the findings of the 2009 Annual Audit.
5. The Commission had on hand as of August 15, 2010, about \$3.8 million, including about \$106,000 of unearned revenue provided to the Commission in advance of expenditures. These funds are invested in the State of Wisconsin Local Government Investment Pool, which is presently paying 0.22 percent interest; a certificate of deposit, and two money market accounts at local banks.

In response to a comment made by Ms. Larsen concerning the purchase of document management software, Mr. Dwyer suggested that Commission staff check with the seven counties to determine the management software that they use.

On a motion by Ms. Russell, seconded by Mr. Dwyer, and carried unanimously, the Statement of Projected Revenues and Expenditures for the period ending August 15, 2010, was accepted to be placed on file (copy attached to Official Minutes).

REVIEW OF COST AND POTENTIAL REVENUE FOR COMMISSION SERVICE AGREEMENTS, AND SERVICE AND INFORMATION REQUESTS

Chair Greene asked Mr. Yunker to give an update on the review of cost and potential revenue for the Commission's service agreements, and service and information requests.

Mr. Yunker stated that the Commission staff is working to compile the following information for each type of service information request that the Commission receives: the annual number of requests; the total cost of the effort required to fulfill the request; the portion of the cost funded by Federal or State funds; and the parties making the request--Federal, State, county, or local government or private sector. The information requests that are being analyzed include sanitary sewer service extension reviews, wetland environmental corridor delineations, reviews of wastewater treatment plant facility plans, and the provision of water resources data. He then stated the evaluation should be completed by the end of the year.

CORRESPONDENCE/ANNOUNCEMENTS

Mr. Yunker reported that there was no correspondence to be brought to the attention of the Committee.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 2:29 p.m. on a motion by Mr. Wirth, seconded by Mr. Schmidt, and carried unanimously.

Respectfully submitted,

Kenneth R. Yunker
Executive Director

KRY/dad
#153008 v2 - AdminAug10Min

Attachments