

COMMITTEE NOTES

Finance & Audit Committee Meeting Kansas City Public Library Board of Trustees August 24, 2010

The Finance and Audit Committee of the Board of Trustees of the Kansas City Public Library, pursuant to official notification, met Tuesday, August 24, 2010, at 3:30 p.m. at the Central Library, 14 West 10th Street, Kansas City, Missouri.

MEMBERS PRESENT: David Mayta (Chair)
Jonathan Kemper (ex officio)

MEMBERS ABSENT: Joan Caulfield

OTHER TRUSTEES PRESENT: Olivia Dorsey

STAFF PRESENT:
Crosby Kemper III, Chief Executive
Claudia Baker, Director of Development
Reed Beebe, Administrative Officer
Lillie Brack, Central Library Director
Dorothy Elliott, Deputy Executive Director for Branch and
Outreach Services
Kathleen Hinton, Senior Financial Accountant
Cheptoo Kositany-Buckner, Deputy Director
Debbie Siragusa, Chief Financial Officer

OTHERS PRESENT: Shelly Malyarov
Angela Miratsky

Mayta called the meeting to order at 3:30 p.m.

Siragusa introduced Angela Miratsky and Shelly Malyarov of BKD, LLP to discuss the scope and results of the Comprehensive Annual Financial Report (CAFR) for fiscal year 2009 – 2010. Miratsky thanked Siragusa and the Finance Department, noting that the auditors were provided with everything that they requested in a timely manner.

The auditors found a deficiency in the Library's segregation of accounting duties. However, the auditors noted that this is a difficult deficiency to correct in a small organization, and the auditors noted that compensating controls have been instituted that reduce the risk of misstatement to an inconsequential level.

The auditors recommended the creation of an anonymous fraud hotline. Siragusa stated that a proposed "whistler blower" policy had been discussed by the Finance and Audit Committee but had not been recommended to the Library's Board of Trustees, and that the Kansas City Public Library Foundation's Board of Trustees had adopted a "whistle blower" policy for the Foundation. J. Kemper requested that a proposed "whistle blower" policy be brought to the Board of Trustees at a future meeting.

Mayta expressed concern that the audit noted that there was no formal documentation of a disaster recovery plan. C. Kemper stated that once an IT Director has been hired, the creation of a documented recovery plan will be a top priority for that position.

Discussing the auditor's statement on the importance of having signed operating agreements, Siragusa stated that the new WebPO system will allow better monitoring of contracts that need to be authorized by the Board of Trustees. J. Kemper requested that a list of the Library's ten largest contracts be sent to the Board of Trustees for review.

Discussing the Library's benefits, J. Kemper and Dorsey had questions about the Library's policy of a payout to departing employees for unused sick leave. C. Kemper stated that this policy may have been developed when the Library was part of the Kansas City School District, and that he would ask Human Resources Director Pam Kannady to do a survey of regional libraries to determine if similar policies exist at other libraries.

Discussing statistical data found in the CAFR, Siragusa stated that she would check with Jackson County officials to determine the accuracy and explanation of tax data that shows a decline in the Library district's tax base.

Motion by Dorsey to present the draft of the audit report to the full Board of Trustees. Second by J. Kemper. Approved unanimously.

Motion by Dorsey to adjourn the meeting. Second by J. Kemper. Approved unanimously.

The meeting adjourned at 4:25 p.m.

Respectfully submitted,

David Mayta, Chair
Finance and Audit Committee

Date