



**PUBLIC BUILDING COMMISSION OF CHICAGO
MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON
JULY 13, 2018**

Public Building Commission of Chicago | Richard J. Daley Center | 50 West Washington Street, Room 200 | Chicago, Illinois 60602 | (312) 744-3090 | pbcchicago.com

The Audit Committee Meeting of the Public Building Commission of Chicago was held in the Board Room on the 2nd Floor, Richard J. Daley Center on July 13, 2018 at 2:30 p.m.

The following Committee members attended

Meeting Chair: Commissioner Arnold Randall
Commissioner Samuel Wm. Sax

Also attending:

Carina E. Sánchez
Lori Lypson
Erin O'Keefe
Tanya Foucher-Weekley
James Borkman
Mary Pat Witry
Patrice Doyle
Bryant Payne
Ray Giderof
Lisa Giderof
Norma Perez
Joe Ferguson – Chicago OIG
Lise Valentine – Chicago OIG
Jesse Escarpita - Chicago OIG
Chris Norborg – Chicago OIG
Sudheer Poluru, O-H Community Partners
Allen Truesdell, Deloitte
Sruthy Babu – Deloitte
Langdon Neal, Neal & Leroy
Jeanette Sublett – Neal & Leroy
Anne Fredd, Neal & Leroy

The meeting was called to order. The reading of the minutes of the February 1, 2018 meeting, which had previously been distributed, was dispensed with and upon motion duly made and seconded the minutes of said meeting were unanimously adopted.

The PBC's Executive Director provided an introductory report on the PBC's commitment to transparency and accountability as related to the completion of the Office of Inspector General's (OIG) Change Order Audit and the submission of the 2017 Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association (GFOA). The Executive Director noted that the PBC is committed to effectively delivering projects that meet our client's budget and scope requirements and to strong, internal controls. To that end, the Executive Director provided an overview of the findings and recommendations of the OIG's Audit Report and noted that the recommendations confirmed that recently implemented improvements are in the right direction; including updated tools and templates, organization realignment, and enhanced training for our development staff. The Executive Director thanked the OIG for their time and cooperation during the Audit, with recommendations that will help create an even stronger system.

Representatives from The Office of the Inspector General reported on findings and recommendations of the PBC Construction Change Order Audit issued on June 12, 2018. The OIG outlined the process and findings from the audit, which included six recommendations to improve the PBC's change order review and approval procedures. PBC agreed with recommendations made by the OIG and, prior to the release of the audit report have already implemented a number of improvements that address the recommendations and implement efficiencies. A full copy of the Change Order Audit is in your board books.

The PBC's Director of Finance reported the submission of the CAFR in conjunction with the Commission's Basic Financial Statements as of and for 2017 and 2016. The PBC's assets exceeded liabilities by \$73.3 million at year end 2017. Of this amount, \$53.3 million was included in net investment in capital assets and \$19.9 million was restricted for use by the Daley Center and for Commission operations.

The PBC's total net position decreased by \$565,223 and \$175,860 due to decreases in project revenue that directly impact the Commission's administrative fee.

Representatives from Deloitte provided the required auditor communications related to the PBC's Audited Financial Statements. Of note, there were no audit adjustments, recorded or unrecorded and no material weaknesses or significant deficiencies in the internal controls over financial reporting.

The Audit Committee accepted the reports

An Executive Session was convened pursuant to 5 ILCS 120/2(29) for the purpose of presentation of Reports by Sharon Jones, Independent Monitor with O-H Community Partners, Ltd. for F.H. Paschen, S.N. Nielsen & Associates.

The Audit Committee reconvened into open session and accepted the reports providing during Executive Session. The meeting was adjourned.

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