

**PUBLIC BUILDING COMMISSION OF CHICAGO  
MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON  
JULY 2, 2013**

The Audit Committee Meeting of the Public Building Commission of Chicago was held in the Board Room on the 2<sup>nd</sup> Floor, Richard J. Daley Center on July 2, 2013 at 3:00 p.m.

The following Committee members attended

Commissioner Cabrera – Chairman  
Commissioner Samuel Wm. Sax

Also attending:

Erin Lavin Cabonargi  
Lori Lypson  
Paul Spieles  
Daryl McNabb  
Tanya Foucher-Weekley  
Mary Pat Witry  
Daniel Travino  
Ilyas Lakada  
Langdon Neal, Neal & Leroy  
Jeanette Sublett, Neal & Leroy  
Maribeth Vander Weele, Vander Weele Group  
Candace Hansford, Vander Weele Group  
Kathleen Candela, Deloitte  
Allen Truesdell, Deloitte  
Lester McKeever, Washington, Pitman & McKeever

The reading of the minutes of the April 12, 2013 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 Pursuant to Section 2.06(g) of the Open Meetings Act, a public comment period was held. No comments or statements were presented by any persons.

The PBC Director of Finance Daryl McNabb reported on the completion of the Comprehensive Annual Financial Report (CAFR), which has been submitted to the Government Finance Officers Association (GFOA) for consideration for the Certificate of Achievement Award for Excellence in Financial Reporting. This achievement has been awarded to the PBC for its 2009, 2010 and 2011 financials. The Director of Finance then provided highlights of the 2012 financials. As expected, project revenue for 2012 decreased from the 2011 level, consistent with a continued decrease in the Work in Place (WIP) total. A decrease in Administrative

Fee revenue, also related to the decrease in construction activity, contributed to a minimal decrease in net assets.

Kathleen Candela, Lead Client Service Director for Deloitte and Touche provided the required auditor communications for the 2012 Audit. Kathleen reported for the third year in a row that there are no material weaknesses or significant deficiencies in the internal control over financial reporting. Control deficiencies were reported over classification of investments and reporting of receivables and capital lease obligations Deloitte reported three errors not corrected by management prior to the issuance of financials, though none were considered significant to the presentation of the financial statements. Procedures are being enacted to perform more frequent reconciliations throughout the year to address these issues.

Langdon Neal, PBC Legal Counsel submitted a draft proposed Debarment and Imposition of Sanctions Rules and Regulations and an Executive Summary of the Rules to the Audit Committee for their review. Counsel indicated that the purpose of the Rules is to effectuate PBC policy to promote honesty, integrity, effectiveness, efficiency and economy in the Commission's programs, contracts and operations and that debarment or sanctions should be imposed only in the public interest and not for purposes of punishment.

A discussion regarding the rules took place. Counsel indicated that the City of Chicago and Chicago Board of Education debarment rules were reviewed prior to drafting the proposed PBC Rules. Counsel provided information regarding the scope of the rules and possible sanctions that could be imposed and reasons why the Rules are needed. The Audit Committee will review the proposed Rules and Executive Summary for further discussions.

The meeting was adjourned.