

Minutes of the Operational Audit Advisory Committee Meeting  
December 14, 2006

Committee Members: Patricia Basti, David Crowley, Leslie Ghiz, David Raasch, and Jim Tarbell

The Operational Audit Advisory Committee held its sixth and final meeting of 2006, at 9:30 a.m. in room 169, City Hall. Audit Committee members, David Crowley, Patricia Basti, David Raasch and Jim Tarbell were present. Ms. Leslie Ghiz was absent. Also in attendance was Allison Davidson from the Law Department. David Crowley chaired the meeting. The Internal Audit Manager, Mark Ashworth, served as recording secretary.

Chairperson Crowley called the meeting to order at 9:30 a.m. He thanked everyone for attending the meeting and asked if there was any discussion on the minutes from the last meeting. There being none, the minutes were accepted and filed.

Mr. Crowley asked Mr. Ashworth to discuss the 2007/2008 budget for the Internal Audit Division. Mr. Ashworth explained that the budget submitted by the Finance Department included another position cut. This budget reduction is the opposite of what is needed and what was approved by the Audit Committee during several prior meetings. As directed by the Audit Committee, Mr. Ashworth submitted to the Mayor and City Council a budget proposal that would approximate IAD's staffing needs in order to meet minimal audit requirements for the City of Cincinnati. The proposal asked for an additional \$82,000 in funding. The additional funding would provide funding for four auditors. Currently, the office is funded for three auditors and in 2008 IAD is targeted to be reduced to two auditors.

The 2007/2008 workplan was discussed next. Mr. Ashworth explained that the workplan preparation was pending and dependant upon the budget. The City Manager has been meeting with Mr. Ashworth on a more regular basis than the prior City Manager. Mr. Ashworth has received three ad hoc assignments in recent weeks. These ad hoc assignments have not been included in recent work plans. This in conjunction with the unknown staffing levels has postponed the assembling of a 2007/2008 audit workplan. Mr. Ashworth asked the committee for their input as to whether he should include in the work plan a number of cost recovery audits. Mr. Raasch cautioned that you don't want to have a focus of recovering money in your audits. He stated that this could harm your intent and approach. Your audits could be viewed and driven only by money. It was agreed that this is not the approach IAD wants to take.

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With no further discussion about the focus of the 2007/2008 workplan Mr. Ashworth asked for the committee's opinion regarding the possibility of assembling an annual internal audit report. The report would recap the work performed in the prior calendar year. Mr. Raasch suggested that if IAD chooses to do this, you would want to recap the report with a short executive summary. He stated that the report should be no longer than 6 to 8 pages. This way you will be sure to capture your audience's attention. Overall, the committee liked the idea of issuing an annual report.

New Audit Committee members were discussed. Mr. Ashworth talked about the interviews he had conducted in the search to identify two new members. Carol Sigman's resume was circulated and her merits were discussed. Mr. Raasch recommended that her name be advanced to the Mayor for appointment to the committee. Mr. Ashworth asked the committee to give him any and all names of interested parties. He would be more than happy to meet with those individuals interested in serving on the committee. The committee agreed that Ms. Sigman should replace Mr. Alton Knight and her length of term would be four-years. Mr. Crowley asked that Mr. Ashworth prepare a memo for the Mayor's signature recommending Ms. Sigman's appointment to the Audit Committee.

Mr. Ashworth gave the committee an overview of the open audits. He stated that the Pension Audit will be completed by the next meeting. The Risk Management audit is in the final stages of fieldwork. This report is being drafted and will be forwarded to the department for review and comment. Mr. Ashworth also cited some examples of the issues that had been found during the fieldwork stages. IAD is waiting for a reply from the Pension Manager. Mr. Crowley asked that Mr. Ashworth follow-up with the department and obtain their response. Mr. Ashworth agreed and said he would meet with the Pension Manager.

Finally, Mr. Ashworth stated that two follow-up audits, Police and Fire overtime will be kicking off soon. Mr. Ashworth reminded the committee that City Council accepted the recommendations for the Police Audit with a motion for a follow-up report. Mr. Ashworth will be attaching the City Council motion to his report.

With no new business before the committee, Mr. Crowley asked when the next scheduled meeting was to be held. All agreed on February 8, 2007 at 9:30 in room 169. With no additional business before the Committee, the meeting was adjourned at 10:40 a.m.