

# Approved Committee Minutes

Minutes of the Operational Audit Advisory Committee Meeting  
February 9, 2006

Committee Members: Patricia Basti, Chandra Brown, David Crowley, Leslie Ghiz, Alton Knight, David Raasch, and Jim Tarbell

The Operational Audit Advisory Committee held its first meeting of the year on February 9, 2006, at 9:30 a.m. in room 169, City Hall. Audit Committee members, Patricia Basti, Chandra Brown, David Crowley, Alton Knight and David Raasch were present. Mr. Jim Tarbell and Ms. Leslie Ghiz were absent. Also in attendance were Acting Finance Director Joe Gray and Assistant City Solicitor Christine Zimmer. City Manager David Rager also attended. Mr. David Crowley chaired the meeting. The Internal Audit Manager, Mark Ashworth, served as recording secretary.

Chairperson Crowley called the meeting to order at 9:32 a.m. Mr. Crowley explained that the City Manager would be joining the meeting to discuss a human resources audit. Mr. Crowley said that he feels it important for the committee to hear from the City Manager, himself, on this subject. Mr. Crowley asked if there were any questions or changes to the minutes. Mr. Raasch suggested a word change on page two. With that correction, the minutes were accepted and approved.

Mr. Crowley commented that Mr. Bill Moller, the Finance Director, has retired from the City and moved to a new position with the city of Covington. Mr. Joe Gray, the acting Finance Director, would be filling the role Mr. Moller has performed for the committee.

Mr. Raasch brought two subjects to the floor. First being a management reply on the Public Records Retention Audit. Mr. Gray will work with the City Manager and get a reply. The second issue was that of the workplan and the status of the two-year plan. Mr. Ashworth indicated that the workplan was adjusted to reflect the loss of an internal auditor. The workplan will once again have to be adjusted to incorporate the City Manager's audit request. Mr. Ashworth agreed to make the committee aware of any impacts or new assignments at each Audit Committee meeting.

Mr. Rager entered the meeting and Mr. Crowley introduced the committee members. He also made the Manager aware that he gave the committee a brief overview of the matter. Mr. Rager proceeded with a summary of the Wells personnel issue. He indicated that he would like Internal Audit to review payroll processes and particularly in the injury with pay status. He envisioned a three-

pronged approach would be needed: 1. Review of policies and procedures. 2. Audit the departments for adherence and 3. Make recommendations. The committee asked questions and discussed techniques of an HR audit. The committee made a number of excellent suggestions as to data-mining and reviewing the different pay statuses. Mr. Ashworth will develop a workplan and proceed with fieldwork and staff interviews.

Item number six, committee vote on the 2006 Chairperson was held at the request of Mr. Raasch. With two members absent Mr. Raasch asked that this discussion and vote be held until the next meeting so that the entire committee could vote on the Chairperson. It was agreed that this item would be held.

Mr. Crowley asked that Ms. Zimmer circulate, for review, a document developed by the Law Department for establishing length of terms for the independent members of the Internal Audit Committee. Lengthy discussion ensued. The committee felt that a four-year term is an appropriate length. Two issues emerged. First that the terms would be staggered among members so that member turnover does not occur all at once. Staggering terms will also help maintain institutional knowledge and continuity. Second, term limits in the traditional sense should not apply. Mr. Knight suggested that terms start anew and that two members be appointed for two years and two members be appointed for the four-year term.

Given the lateness of the meeting members were asked if there was any new business prior to Mr. Ashworth giving a brief overview of the open audits. With no new business Mr. Ashworth proceeded with the overviews.

The Risk Management Audit is proceeding on schedule with each member of the health plan receiving a letter discussing eligible dependants. The City has extended an amnesty period for employees to remove dependants that are no longer eligible. Once this period expires Audit will review the results and send a second round of letters to those that are judged to be deficient in some aspect.

MSD Consent Decree Audit is a review of information the City is submitting to the EPA along with appropriate supporting documentation. Everything appears to be in order. Internal Audit requested feedback from the respective federal and state agencies. They are in agreement with the format and the information as reported.

The Legal and Health audits are progressing. Mr. Crowley asked about the legal audit and its focus. Mr. Ashworth stated that the scope of the audit is to review the mechanism and tracking of all requests made to the Law Department for legal services.

With no additional business before the Committee, the meeting was adjourned at 11:15 a.m.