

Approved Committee Minutes

Minutes of the Operational Audit Advisory Committee Meeting
April 13, 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 second meeting of the year on April 13, 2006, at 9:30 a.m. in room 169, City Hall. Audit Committee members, Chandra Brown, David Crowley, Leslie Ghiz, Alton Knight and David Raasch were present. Mr. Jim Tarbell and Ms. Patty Basti were absent. Also in attendance were Acting Assistant Finance Director Connie Roesch and Assistant City Solicitor Christine Zimmer. Mr. David Crowley chaired the meeting. The Internal Audit Manager, Mark Ashworth, served as recording secretary.

Chairperson Crowley called the meeting to order at 9:30 a.m. The minutes were discussed and approved. Item number four, committee vote on 2006 Chairperson was held and item five was discussed. Mr. Ashworth addressed the committee on the reduction of six to three auditors from his staff. Mr. Ashworth also informed the committee of the resignation of Senior Internal Auditor Kimberlee Gray. Ms Gray was the lead investigator and lead auditor on the Human Resources audit, which covered the review of the controls in place during the Christina Wells-Hicks matter. Discussion ensued about the pending job search. Ms. Roesch suggested that we use Monster.com in addition to the traditional methods. Internal candidates and the potential to bring in a current city employee were also discussed.

Mr. Ashworth said that a number of audits would have to be suspended while the most pressing audits continue to move forward. Mr. Ashworth stated he would reassign the HR audit to IAD's senior staff auditor, Mr. Jay Gilligan.

Mr. Crowley asked about staffing and what was the appropriate number of auditors needed. Mr. Ashworth gave an overview of the staffing scenario. Six auditors was discussed the last time the office was able to maintain audit workplan coverage and providing timely responses to ad hoc requests made by the City Manager. Mr. Knight questioned the staffing and appropriate levels to maintain coverage. Mr. Ashworth said that he needed four auditors to address the workplan and two additional auditors to conduct ad hoc and investigation related assignments. Due to the recent staff loss current projects are all ad hoc in nature. After a lengthy discussion the committee asked that Mr. Ashworth report back to the committee at its next meeting what resources he feels are needed to provide adequate internal audit coverage for the City of Cincinnati.

Item number 6 was next discussed. The workplan is a part of the two-year plan. The ad hoc assignments originally occupied about 25% of the plan. This section was removed from the plan several meetings ago when the office lost the fourth auditor. At that time the ad hoc assignments were nonexistent. Currently, the ad hoc assignments are being reinstated. This issue will be further discussed at the next meeting in conjunction with Mr. Ashworth's report on staffing needs.

Christine Zimmer addressed the committee on term limits for committee members. Messrs. Knight and Raasch were in favor of the two consecutive terms. It was agreed to change the wording to read two consecutive terms and that a member would have to be off the committee for one term before returning. Further it was agreed to insert language that all current members will begin their terms anew. At the next meeting we will identify two members that will begin two-year terms and which two will begin four-year terms. The two-year terms will not count toward one of the two consecutive four-year terms. Final changes will be made for the next meeting.

Item #8, Mr. Ashworth gave an overview of the status of the audit and the approach that will be taken once the audit is reassigned. IAD will begin by conducting interviews of the payroll clerks and within the payroll department. Ms. Brown asked about ACL software and potentially using it to help conduct the audit. Mr. Ashworth stated that Ms. Gray, the auditor who resigned, was the ACL expert in the office so another approach will be taken. The HR audit will begin in earnest as soon as another ad hoc assignment pertaining to the Health Department is completed.

In the interest of time, Mr. Ashworth touched briefly on the remaining open audits. The Street Sweeping audit is currently in the fieldwork phase. The intent is to report to the committee and City Council the cost of providing this service. At the next meeting we should have more to report. Early audit evidence suggests that the City is not sweeping the number of streets predicted and that the cost is exceeding the original contracted amount.

The Risk Management audit is progressing. As a result of the initial notification letter, several hundred ineligible recipients have been dropped off the insurance rolls. A second notification letter was mailed out giving employees until mid-April to comply with IAD's request for birth certificate, marriage certificates etc.

The Health audit is charged with determining whether or not the Health Department meets the criteria set forth to be Federal Qualified Health Clinic (FQHC). The allegation is that if the City does not meet the criteria, they may not be entitled to the deep discounts they currently receive on the drug prices.

With no additional business before the Committee, the meeting was adjourned at 10:45 a.m.