

Approved Committee Minutes

Minutes of the Operational Audit Advisory Committee Meeting
December 8, 2005

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

The Operational Audit Advisory Committee held its seventh and final meeting of the year on December 8, 2005, at 9:30 a.m. in room 169, City Hall. Audit Committee members, Patricia Basti, Chandra Brown, David Crowley, Alton Knight and Jim Tarbell were present. Also in attendance were Finance Director William Moller and Assistant City Solicitor Allison Davidson. Mr. Scott Stiles and Ms. Meg Olberding also attended to address the committee about the Cable Franchise Audit. Mr. David Crowley chaired the meeting. The Internal Audit Manager, Mark Ashworth, served as recording secretary.

Chairperson Crowley called the meeting to order at 9:40 a.m. Mr. Crowley advanced item number three, the discussion of the Cable Franchise Audit. Mr. Ashworth gave an overview of the recently released audit and discussed the findings and recommendations. There were several questions from the Committee about the under payment of franchise fees and the gross revenue calculations. Meg Olberding, the City of Cincinnati's Public Information Officer addressed the committee. She stated she had been in contact with officials at Time Warner. The Time Warner officials have indicated that they would sit down with the City once their legal department finished "pouring over" the audit. Discussion ensued about recommendation pertaining to jurisdictional boundaries and the proper determination of houses within the City limits. This recommendation will be followed up once the Time Warner/Adelphia business merger is completed. The audit had found several apartment and condominium complexes within the city limits that were being serviced by Adelphia. The committee questioned what type of follow-up would occur in this audit given the large amount of money due. Mr. Crowley asked that Ms. Olberding return to the committee in six months and present a follow-up report and status on the collection of the funds. The committee voted unanimously to accept the report. Mr. Crowley thanked Mr. Stiles and Ms. Olberding for attending the meeting and the information they shared.

Mr. Crowley moved back item number 2 and the approval of minutes. There was one change to the minutes. The change involved adding language to indicate that when speakers are invited to address the committee the Chairperson will be contacted prior to their inclusion on the meeting agenda.

Item four. The administrative regulation establishing the audit committee is silent on the terms of committee members. Mr. Crowley indicated that the Mayor should play a role in appointing members. There shouldn't necessarily be term limits but each member after a certain point in time should be reappointed. Ms. Basti felt that a two-year appointment might not be long enough. Mr. Crowley said he would bring this issue up to Committee on Committees after he goes to the Mayor's office with the issue.

Item number five the discussion on the open committee seat, vacated by Mr. Malone was discussed next. Mr. Crowley will request through the Mayor's office that a new Councilmember be selected and appointed to the Committee.

The Committee discussed developing a Committee report to the administration. The Committee, in general, would like the Audit Manager to track all recommendations and, in particular, the recommendations that involve money due the City. Mr. Ashworth indicated that he was aware that in a few cases, other cities compile an annual report to the City Manager, asking for a written report on the status of the findings. Mr. Moller suggested that the report be developed and sent to the City Manager by the Chair of the Audit Committee. (With all responses to that report directed to Mr. Ashworth.) Mr. Ashworth agreed to begin compiling a report including only those recommendations that are contained in audit reports in the last several years.

Mr. Ashworth then gave an overview of the Records Retention Audit. No negative findings except that the City in general retains records for longer than necessary and in many cases forever. The downside to that is the expense and time consumed when record requests are made for older documents. The Law Department has developed a class on records retention and in the coming months will be training all departments on proper records retention. Mr. Knight asked that if it were possible that management give a written reply to the audit. Mr. Moller indicated that City Manager David Rager had been briefed on the audit and that he would bring it to the attention of the City Manager. Mr. Crowley asked that the committee vote to accept the report. The committee voted 5 – 0, with the understanding that management report to the committee on the status of the recommendations.

Item number 8, Street Sweeping Review was discussed. Mr. Ashworth presented a proposal to add to the audit workplan a review of the street sweeping contract. After a brief overview of the street sweeping contract, Mr. Ashworth conveyed that it was the intention when the contract was entered into that the City review the cost and effectiveness. Mr. Knight asked about the

current workplan and whether this review could be conducted. Mr. Ashworth said that given current audits and potential downtime between phases he should be able to work this review into the assignments in the first quarter of 2006. The review was approved by the committee and was added to the 2005/2006-audit workplan.

The last order of business was the discussion and setting of the 2006 committee meetings. Ms. Basti asked that the meetings be made firmer to assist members work around the meetings. Mr. Ashworth indicated that his proposed meeting schedule was done with that in mind. Mr. Tarbell asked if the committee had to meet six times a year. It was explained that the Administrative Code indicated that the committee should meet every two months. Mr. Crowley suggested that we accept the meeting schedule and we can always adjust it to meet more or less frequently should the need be warranted.

There being no other items on the agenda and no further business before the Committee, the meeting was adjourned at 10:55 a.m.