

**Minutes  
CUYAHOGA COUNTY  
AUDIT COMMITTEE  
REGULAR MEETING  
December 8<sup>th</sup>, 9:00 AM - 11:00 AM**

1. Call to Order – meeting of December 8, 2022

The meeting was called to order at 9:02 a.m.

2. Roll Call

Attending:

Audit Committee Chairman, Michael Abouserhal  
Keith Libman  
Trevor McAleer (alternate for Pernel Jones, Jr.)  
Salvatore Talarico  
County Fiscal Officer Michael Chambers

Absent:

County Executive Armond Budish (speaking at State of the County address)

3. Public Comment - Related to Items on the Agenda

There was no public comment related to items on the agenda.

4. Approval of Minutes – September 8, 2022

**Salvatore Talarico motioned to approve the September 8, 2022 minutes; Keith Libman seconded. The motion to approve the September 8, 2022 minutes was unanimously approved.**

5. Executive Session (As Necessary)

**Trevor McAleer motioned that the Committee go into Executive Session per ORC 121.22(G)(1) to consider the appointment and employment of a public employee; Keith Libman seconded. A roll call was taken and the motion was unanimously approved: Michael Abouserhal, yea; Keith Libman, yea; Trevor McAleer, yea; Salvatore Talarico, yea.**

The Executive Session was called to order at 11:59am. The Executive Session adjourned at 12:45pm at which time Michael Abouserhal reconvened the general meeting.

## 6. Old Business

### a. Follow-up Items from 3rd Quarter Meeting

Monica Houston, Director Internal Audit, addressed the Committee regarding the follow-up items. No discussion or questions were raised, as follow-up items needing discussion were covered in subsequent agenda items.

### b. Bank Reconciliation

Leigh Tucker, Deputy Fiscal Officer, addressed the committee regarding the bank reconciliation. \$2.2 million unidentified reconciling items amount was written off at the end of August 2022. All 41 accounts are reconciled and reviewed fully through July 2022. The contract with the consultant through 2022 was extended to provide further assistance with automating the process. Trevor McAleer informed the committee that on Tuesday 12/6/22 at the Council Meeting, the Fiscal Officer requested the \$2.2 million general fund appropriation necessary to complete the write-off.

Michael Abouserhal requested Leigh provide a copy of the scope of service with the consultant and a timeline for the upcoming work to the Committee.

### c. Audit Committee Jurisdictional Sub-Committee Update

Mark Musson, Assistant Prosecuting Attorney, provided the background and an update on the sub-committee's work on the jurisdictional review. Discussion ensued.

Monica Houston presented two documents:

- 1) The Jurisdictional Review Oversight Recommendation matrix.
- 2) Cuyahoga County organizational chart listing out the executive agencies.

She indicated that the recommendations in the matrix were being provided to the Executive and Fiscal Management to assist in any potential oversight they may desire to implement. Monica also provided an update

to Committee on her research and discussion with Summit County Internal Audit relative their ability to perform audits under the Summit County Charter which the Cuyahoga County Charter models.

It was determined the deliverable of the Jurisdictional Sub-Committee has been completed.

d. 2022 Financial Audit Pre-Meeting Update

Mike Abouserhal reminded the committee of an upcoming meeting with the external auditor, Clark Schaefer, 1pm on 12/20/22. The meeting notice from Clark Schaeffer should be forthcoming.

e. Recommendation for Revision to Cuyahoga County Charter

Michael Abouserhal suggested there is an issue of internal audit's ability to access records, and he does not agree with the Prosecutor's opinion of the Charter language of "assist" infers that agencies may decline to be audited and provide records if they do not desire internal audit's assistance.

Monica Houston provided the committee members with the Auditor Independence publication from the Association of Local Government Auditors (ALGA) which gives guidance for the core tenants of auditor independence:

- Provide the auditor with unrestricted access to records and employees.
- Protect the auditor from interference in their work and personnel decisions.

Michael Abouserhal directed Monica Houston to include in the proposed Charter amendment language relative to independence, access to records and personnel, and fix the "to assist" language.

f. Discuss and approve Remote Work policy

**Salvatore Talarico motioned to approve the Remote Work policy with the amendment to the document (“RWL privileges may be revoked at any time and for any reason, not limited to the following conditions”); Keith Libman seconded. The motion to approve the Remote Work policy was unanimously approved.**

**Trevor McAleer motioned to approve authorization of the Internal Audit Director to work remotely as needed contingent upon following the guidelines in the policy through April 2023 and providing the committee the bulleted items of rationale required in the policy; Keith Libman seconded. The motion to approve authorization was unanimously approved.**

## 7. Other Business

### a. Management Update on 2021 Financial Audit Findings

Leigh Tucker presented management responses for the management letter comments relative to the Fiscal area. Leigh noted that management responses relative to IT were received from Jeremy Mio, Information Security Officer & (Interim) Deputy CTO, via email earlier that morning. To expedite the meeting, Michael Abouserhal asked Monica Houston to forward the committee members the email.

Leigh informed the committee that a meeting with Clark Schaefer is scheduled next week to begin the planning for the 2022 financial audit. She reported that compliance with GASB 87 for leases seems to be in good shape.

### b. Review of Audit Staff’s Continuing Professional Education Credit

Monica Houston informed the committee that all DIA staff met the requirements for the year as per the document provided to the Committee in the meeting packet.

### c. Review and approve 2023 Risk Assessment

Jeremy Hejnal, Senior Internal Auditor, presented an overview of the risk assessment. The recent jurisdictional review was considered, and all entities marked as “clearly within” jurisdiction were included in the audit

universe. This year had a record time for responses from all entities. Discussion amongst the committee members ensued.

Monica Houston informed the Committee that while formal approval of the risk assessment is necessary, formal approval of the audit plan is scheduled for the 1<sup>st</sup> quarter 2023 meeting, allowing the committee time to review and make any recommendations for revisions.

**Salvatore Talarico motioned to approve the 2023 Risk Assessment; Trevor McAleer seconded. The motion was unanimously approved.**

d. Discuss and tentatively approve 2023 Audit Plan

Monica Houston presented an overview of the tentative 2023 Audit Plan. Discussion ensued.

Committee members made inquiry relative to ability to increase the budget to obtain staffing levels that would provide full coverage of audit universe. Thoughts and concerns relative to performance of an audit of Jail Operations and of Ethics were expressed. The Committee requested that Monica prepare, and obtain legal review of, a memo that bridges the Committees responsibility to authorize the audit of Jail Operations per the risk assessment to the Committee's decision to defer such audit to a future audit year.

Monica Houston requested a tentative (informal) approval to begin projects on the proposed 2023 Audit Plan, excluding Ethics and Jail Operations (Priority 1 & 3) prior to the formal approval at the Q1 2023 Committee meeting. Tentative approval was granted.

e. Semi-annual Audit Issue Update

Joshua Ault, Audit Manager, presented the semi-annual audit issue update report along with input as needed from Catherine Tkachyk, Chief Innovation Officer and Executive Agency Audit Liaison. Committee members were provided a copy of the update in the meeting materials.

Joshua discussed the end of year process which includes the issuance of a memo to the County Executive relative to open recommendations. Trevor McAleer suggested that all department heads (directors) should be

included (CC'd) so that it receives the proper attention by all areas involved in the process.

f. Resident Member Annual Independent Statements

Michael Abouserhal noted that Monica Houston would be sending out the annual independent statements for completion and reminded members of the prior year process change that requires completed forms be sent to the Inspector General.

g. Upcoming Audit Committee Member Reappointment

Michael Abouserhal discussed the following member appointments:

- Keith Libman's term expires December 31, 2022, however, Keith has agreed to be considered for reappointment to another term. Approval of reappointment has been delayed by the County Executive transition.
- Yvette Ittu has submitted her resignation from the audit committee, effective Friday, 12/2/2022. On behalf of the Committee, Chairman Abouserhal thanked Yvette Ittu for her expertise, input, and energy brought to the committee throughout her tenure.
- Armond Budish leaving office. On behalf of the committee, Chairman Abouserhal thanked Executive Budish for his active participation at the committee meetings making specific note of the allocation of time to attend all the meetings and provision of valuable insight

h. Quality Assessment Updates

Monica Houston presented updates to relative to implementation of recommendations from the 2021 external quality assessments. She also provided a report relative to the internal assessment performed during the year. No discussion or questions were raised.

i. Status of Current Engagements

Monica Houston provided a brief update on current audit engagements.

HR Employee Payroll Review report was released. Monica discussed specific areas of the report as per request by Michael Abouserhal. She informed the committee that at her request a Funds Recovery Focus group has been formed with Greg Huth, Law Director as the Executive sponsor and senior members of HR Payroll, Fiscal, and Law as Leads.

IT Risk Assessment RFP had to be put out for rebid due to lack of obtainment of viable vendors in the initial bid process. RFP reissued without a DEI requirement; bids closing is December 31, 2022 so selection of a vendor will not occur until 2023.

HR Compliance and HR Recruitment, Hiring, and Retention audits are delayed and have scope limitations due to the Personnel Review Commission (PRC) decision to not participate in the audit and to not provide Internal Audit access to records as requested.

Discussion ensued relative to PRC's denial of the public records request and the impact to the audits. Members of the Committee expressed their disappointment relative to the denial. It was requested that the record reflect that the PRC's assertions relative to intent and motive were factually incorrect. Per the discussion and agreement of Mark Musson, the intent and motive of the individual is of no consequence. Members also disagreed with the assertion that the request was an improper attempt to request public records as the Director of Internal Audit has the right as an individual or citizen to make a public records request, The overall consensus of the Committee was to not pursue the matter further in hopes of preserving the ability to develop a collaborative relationship in the future,

Chairman Abouserhal requested that his specific thoughts be reflected in the minutes. Those thoughts were, he respects the work of the PRC but is disappointed with their response, opinion, and initial unwillingness to participate in the audit and that their response and inaction is not allowing the Audit Committee to do their work.

The Committee requested that Monica draft a response letter, thanking the PRC for their response and stating that the Committee respectfully disagrees with such but looks forward to collaboration

between DIA and PRC in the future for the mutual benefit of all Cuyahoga County citizens.

j. Current/Emerging Risks

Nothing presented for discussion.

8. Public Comment – Unrelated to Agenda

There was no public comment unrelated to items on the agenda.

9. Next Meeting – Thursday, March 9, 2023 9:00 AM - 12:00 PM

Review and discussion of proposed Audit Committee Meeting Schedule provided in the meeting package. Members had conflict with March 9 date and March 23 was decided upon as an alternative if such works for the schedule of the County Executive Elect. Trevor McAleer suggested Monica Houston reach out to Laura Roche, Executive Assistant, and Eric Wobser, Chief of Staff, to find a date that works for County Executive Elect Ronayne's calendar.

10. Adjournment

**Trevor McAleer motioned to adjourn the meeting; Keith Libman seconded. The motion to adjourn the meeting was unanimously approved at 12:50 p.m.**

*(signature on file)*

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Michael Abouserhal, Chair

MA/ts