

MINUTES

Cuyahoga County

Audit Committee

Friday, August 25, 2017, 10:00 AM – 12:00 PM

Cuyahoga County Administrative Headquarters

2079 East Ninth Street, Cleveland, OH 44115

4th Floor, 4-407 - Committee Room B.

1. Call to Order – meeting of August 25, 2017
The meeting was called to order at 10:03 AM
2. Roll Call
Attending:
Michael Abouserhal, Chairperson
Armond Budish
David Goodman
Yvette Ittu
Dennis Kennedy
Trevor McAleer (alternate for Councilman Dan Brady)
Gary Shamis
3. Public Comment – Related to Items on the Agenda
There was no public comment related to items on the agenda.
4. Approval of Minutes – April 21, 2017
There were no corrections to the minutes from the April 21, 2017 meeting. Yvette Ittu inquired about cost audits for other counties. Dennis Kennedy stated that he will circulate the information from the State Auditor. David Goodman motioned to approve, as written; Trevor McAleer seconded. The minutes of the April 21, 2017 meeting was unanimously approved.
5. Executive Session
An Executive Session was not required.

(Michael Abouserhal changed the order of agenda items as outlined below.)

7. Other Business:
 - b. Human Resources Payroll Audit Report
Cory Swaisgood presented a summary of high-level items as the result of the payroll audit performed to improve internal controls. Douglas Dykes, Director of Human Resources responded to the Committee's questions. Swaisgood requested approval to release the Audit Report at September 29, 2017 to allow time to incorporate all changes received by the Department of Human Resources. Mr. Abouserhal supported the recommendation.

David Goodman motioned to approve the release of the Human Resources Payroll Audit Report for the audit period January 1, 2014 – December 31, 2014 on September 29, 2017, Yvette Ittu seconded. The motion was unanimously accepted.

c. Benefits – Phase II Audit Report

Cory Swaisgood presented a summary of the most noteworthy items in the Health Care Benefits Program – Phase II Audit Report for the audit period January 1, 2011– June 30, 2015. Douglas Dykes responded to the Committee's questions. Swaisgood requested approval to release the report at September 29, 2017.

Trevor McAleer motioned to approve the release of the Health Care Benefits Program – Phase II Audit Report for the Audit Period January 1, 2011 – June 30, 2015 on September 29, 2017, Gary Shamis seconded. The motion was unanimously accepted.

Michael Abouserhal congratulated and thanked Mr. Swaisgood and his team for the work done on both Audits. He requested the committee discuss issues related to scope limitations related to past and future audits.

6. Old Business:

a. Annual Update to Council

Michael Abouserhal said the Annual Update was sent to Council in July. Mr. Abouserhal asked if there was any feedback and what are the next steps? Trevor McAleer responded that Council members accepted the report and have no questions at this time. Mr. Abouserhal and Mr. Swaisgood said he received information from Council regarding the staggered term expiration dates of Audit Committee members. Discussion ensued.

b. Director Evaluation

Michael Abouserhal noted that the final Performance Evaluation of the Director, Mr. Swaisgood, is included in the packet. No further discussion.

7. Other Business:

a. Update of Auditor of State Post Audit Conference

Michael Abouserhal said the Conference will be scheduled in September. The Auditor of the State will present their opinion, reportable findings, and management letter comments as well as Development loans' audit. Dennis Kennedy notes that the Auditors are wrapping up their findings and the Inspector General has prepared a summary on the Development loans review. Trevor McAleer suggested the Committee wait to have further discussions until the State releases their report. Gary Shamis suggested the Committee wait to see what Ernst and Young says, considering all pieces will be needed. The Committee agreed to wait until the State's report is received in September to decide next steps. Swaisgood noted the Inspector General will follow up on the report in December.

d. Approval of Sheriff's Office Reports

Cory Swaisgood noted that the Sheriff's Office Reports were released in June. Swaisgood discussed a follow up was performed on various issues and recommended adjustments. The discussion included the Property Room, General Operations, and Civil Operations audits.

David Goodman motioned to approve the release of the Sheriff's Office Reports. Gary Shamis seconded. The motion was unanimously accepted.

e. Independent Peer Review Update

Cory Swaisgood discussed the process of the Peer Review to be performed on Wayne County during the week of September 11th. Swaisgood will participate as a team member via the Association of Local Government Auditors (ALGA). Only travel expense will be incurred and paid for by the peer reviewee. A review is required every three years for Cuyahoga County's Internal Audit Department. Swaisgood will put in a request to ALGA for a review of his Department for some time in 2018. David Goodman asked the exit conference to be scheduled with the Audit Committee.

f. Review Current Year Budget to Actual Statements for Dependents

Cory Swaisgood discussed the 2017 Budget Forecast Summary, noting that Internal Audit Department was \$68,457 under budget. Michael Abouserhal asked if there was a recommendation for approval.

Yvette Ittu motioned to approve the proposed 2018 Budget for the Internal Audit Department. David Goodman seconded. The motion was unanimously accepted.

g. Prepare Subsequent Year(s) Budget

Cory Swaisgood reviewed the budget summary prepared for 2018 including personal services and benefits, other operating expenses, and contracts. Travel costs for the ALGA peer review (expense incurred every 3 years) were added to the total budget of \$590,302.

h. Revised Annual Audit Plan

Cory Swaisgood discussed the revised annual Audit Plan for 2017 and requested approval to remove Municipal Judicial Cost and Parking Services and add the Benefits review of fully insured plans. Discussion ensued.

David Goodman motioned to formally approved the changes to the Audit Plan for 2017 as requested. Armond Budish seconded. The motion was unanimously accepted.

i. Update of Current Internal Audit Engagement – Benefits Full Insurance

Armond Budish thanked the Committee and the Department for its efforts. Cory Swaisgood reviewed the results and issues and responses of the Benefits Department. A memo of findings will be presented later.

j. Update of Current Internal Audit Engagement – Fiscal Office Payroll

Cory Swaisgood, presented a brief report.

k. Update of Current Internal Audit Engagements – Benford's Law Audit

Rose Karam, Audit Manager, gave a quick synopsis. No further discussion.

l. Update of Current Internal Audit Engagements – Employee Reimbursement Expense Audit

Rose Karam, Audit Manager, gave a quick synopsis. No further discussion.

m. Update of Follow Up – Sheriff’s Commissary Audit

Rose Karam, Audit Manager, gave a quick synopsis. No further discussion.

n. Update of Follow Up – Crime Stoppers

Cory Swaisgood, presented a brief overview. No further discussion.

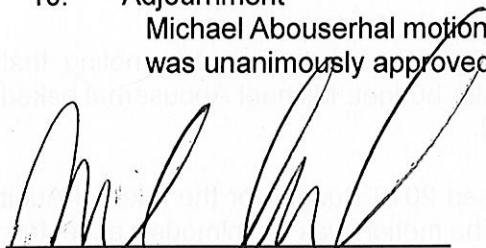
8. Public Comment – Unrelated to Agenda

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

9. Next meeting – Thursday, December 7, 2017, 1:30-4:00 PM

10. Adjournment

Michael Abouserhal motioned to adjourn; Yvette Ittu seconded. The motion to adjourn was unanimously approved at 12:37 PM.



Michael Abouserhal, Chair

MA/bi