

MINUTES

Cuyahoga County

Audit Committee

Thursday, December 7, 2017, 1:30 PM – 4:00 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 December 7, 2017
The meeting was called to order at 1:31 PM
2. Roll Call
Attending:
Michael Abouserhal, Chairperson
Armond Budish
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 – August 25, 2017
David Goodman motioned to approve the Minutes as written; Yvette Ittu seconded.
The minutes of the August 25, 2017 meeting was unanimously approved.
5. Executive Session
An Executive Session was not required.
6. Old Business:
 - a. Auditor of State Post Audit Conference with Audit Committee held September 29, 2017 on 2016 Financial Audit.
Michael Abouserhal briefly discussed the meeting held on September 29th. This item is included on the agenda to show the post audit was conducted.
7. Other Business:
 - a. Follow-up from County on Management Responses to County's 2016 Financial Audit Report
Michael Abouserhal presented a general update regarding the follow-up. Dennis Kennedy introduced Angela Rich, Assistant Fiscal Officer, and noted that a summary was prepared for all responses.

Angela Rich preceded to address the 2016 List of Findings, beginning with Unreconciled Book Balance Over Bank Balance. Dennis Kennedy noted that even though the State audit cited the County for not reconciling over the last few years, the County's books have not been reconciled for at least the past six years. Mr. Kennedy stated the Fiscal Office plans to reconcile and come up with a balance for Council to approve a write-off as they transition to the new ERP (Enterprise Resource Project). Ms. Rich continued to address the list of 2016 Findings and

gave recommendations regarding the 2016 Management Letter Comments. Ms. Rich stated there is a plan to get issues off the list. Gary Shamis requested a follow up during the second quarter meeting.

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

e. Discussion of Legal Counsel

Michael O'Malley, County Prosecutor, discussed the role and position of the Prosecutor's Office as the appropriate legal representative for the Audit Committee and Department of Internal Auditing. Robert Triozzi, Law Director, stated that both offices represent the corporate entity and county individuals. Questions and discussion ensued. The Audit Committee agreed to accept the Prosecutor's Office as the primary legal representative to the Audit Committee and Department of Internal Auditing, with the option to seek legal advice from the County's Law Department and/or outside counsel, if desired.

b. Discussion on Development Loans

Michael Abouserhal noted that the State Auditor conveyed that many improvements have been made to resolve issues and suggested discussions be continued after the 2017 financial audit is completed by the Auditor of State's Office.

c. Update on Staff Auditor Vacancy

Cory Swaisgood announced interviews concluded with seven candidates and a hiring recommendation for the Audit Committee's approval will be sent in the next week. The start date will be sometime in January. Discussion of the budget pertaining to staffing ensued.

d. Peer Review Experience – Wayne County, Detroit Michigan

Michael Abouserhal explained the Peer Review process noting that the experience assisted with identifying best practices. Cory Swaisgood, who participated in the Peer Review of Wayne County of Detroit, Michigan, shared his experience and his take-aways. Cory proposed a change in organizational structure, which warrants a future discussion on staffing. Feedback was requested, and discussion ensued on the current structure as it relates to how to get timely responses from requests made by the Department Internal Auditing. He stated the Executive has chosen Mr. Bob Triozzi, Law Director, as a liaison between the Department of Internal Audit and Executive's Office. Discussion ensued on the role of the liaison.

f. Revised Audit Committee Calendar

Cory Swaisgood reviewed changes to the Audit Committee Calendar included in the meeting packet. A few changes made to the calendar were highlighted and were recommended for approval.

Michael Abouserhal motioned to approve the changes made to the Audit Committee Calendar, Yvette Ittu seconded. Changes to the Audit Committee Calendar were unanimously approved.

Gary Shamis requested that dates for quarterly events be scheduled out for the whole year.

g. 2017 Risk Assessment Process

Cory Swaisgood discussed the process for the risk assessment explaining that a percentage of responses are obtained via questionnaires. Discussion ensued.

h. Discuss and Tentatively Approve 2018 Audit Plan

Michael Abouserhal notes that the Audit Plan is included in the packet. Cory Swaisgood presented an overview of current status and planned audits for 2018. Additionally, Yvette Ittu requested a schedule of activities regarding the ERP. Dennis Kennedy said that a schedule will be coming out prior to the end of the year.

Gary Shamis motioned to approve the Tentative 2018 Audit Plan, Trevor McAleer seconded. The Tentative 2018 Audit Plan was unanimously approved.

i. Review of Audit Staff's Continuing Professional Education Credits

Cory Swaisgood presented an update. A total of 80 hours of CPE are required every two years for Department of Internal Auditing personnel. Every employee in the Department of Internal Auditing attained the required hours under internal auditing standards.

j. Approval of Human Resources Benefits Report – Full Insurance Review

Cory Swaisgood presented an update. All items in the report have been resolved.

Gary Shamis motioned to approve the Human Resource Benefits Report, Trevor McAleer seconded. The Human Resources Benefits Report was unanimously approved.

k. Approval of Fiscal Office Payroll Audit Report

Cory Swaisgood presented an update and noted that all items in the report are resolved or being addressed.

Gary Shamis motioned to approve the Fiscal Office Payroll Audit Report, Michael Abouserhal seconded. The Fiscal Office Payroll Audit Report was unanimously approved.

l. Approval of Crime Stoppers Follow-up Report

Cory Swaisgood presented an update and noted that all 17 recommendations from the audit report were fully implemented.

Gary Shamis motioned to approve the Crime Stoppers Report, Yvette Ittu seconded. The Crime Stoppers Report was unanimously approved.

p. Personnel Review Commission Meeting Presentation – 11/1/2017

Cory Swaisgood stated that he presented Human Resource audit reports to the PRC, at the PRC's request, on November 1, 2017.

q. Reappointment of Audit Committee Member, Yvette Ittu

Michael Abouserhal is hoping the County reappoints Ms. Ittu. Armond Budish said Ms. Ittu is still interested in being a member of the Committee. Additionally,

Michael Abouserhal announced that David Goodman resigned, and a letter will be prepared and signed by all members to thank him for his participation. A replacement will be required.

- m. Update of current Internal Audit Engagement – Benford’s Law Audit
No duplicate payments identified. Control weaknesses and process-related issues noted in the Accounts Payable.
 - n. Update of Current Internal Audit Engagement – Employee Reimbursement Expense Audit
Rose Karam, Audit Manager, presented an update.
 - o. Update of Current Internal Audit Engagements - Procurement Audit on Select Category of Contracts
Cory Swaisgood stated that he has recently received data and answers from initial requests from months ago. He discussed issues with timeliness of receiving data and answers. A draft report deadline date is set at February 28, 2018.
- 8. Public Comment – Unrelated to Agenda
There was no further public comment on items unrelated to the agenda
 - 9. Next meeting – Thursday, February 1, 2018, 1:30-4:00 PM
 - 10. Adjournment
Trevor McAleer motioned to adjourn; Yvette Ittu seconded. The motion to adjourn was unanimously approved at 3:40 PM.

(signature on file)

Michael Abouserhal, Chair

MA/bi