

Minutes
CUYAHOGA COUNTY
AUDIT COMMITTEE
REGULAR MEETING
Thursday, March 24th, 2022, 9:00 AM - 12:00 PM

1. Call to Order – meeting of March 24th, 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 Pernell Jones, Jr.)

Salvatore Talarico

County Fiscal Officer Michael Chambers

County Executive Armond Budish

(Yvette Ittu joined the meeting at 10:11am.)

Absent: None

3. Public Comment - Related to Items on the Agenda

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

4. Election of Chairperson

Keith Libman motioned to approve the election of Michael Abouserhal as Chairperson; Salvatore Talarico seconded. A roll call was taken and the motion to approve the election of Michael Abouserhal as Chairperson was unanimously approved: Michael Abouserhal, yea; Keith Libman, yea; Trevor McAleer, yea; Salvatore Talarico, yea.

5. Approval of Minutes - November 30, 2021

Salvatore Talarico motioned to approve the November 30, 2021 minutes; Mike Abouserhal seconded. The motion to approve the November 30, 2021 minutes was unanimously approved.

a. Presentation and discussion of proposal for meeting minute preparation

Monica Houston proposed meeting protocol adopted by the Cuyahoga Clerk of Council where meetings are live streamed, the live stream recordings serve as public record, and a brief written summary of the meeting that closely follows Roberts Rules of Order would be maintained. In addition, DIA will maintain transcript like notes to provide to the Committee Chair. Discussion ensued amongst the Audit Committee members before motioning to approve the proposal.

Keith Libman motioned to approve the revised proposal for meeting minute preparation; Trevor McAleer seconded. The motion to approve the proposal for meeting minute preparation was unanimously approved.

6. Executive Session (As Necessary)

Keith Libman motioned that the Committee go into Executive Session per ORC 121.22(G)(1) to consider the employment of a public employee; Trevor McAleer 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 9:27am. Yvette Ittu joined the Executive Session at 10:11am and asked Monica Houston to join at 10:19am. The Executive Session adjourned without objection at 10:26am. Michael Abouserhal then reconvened the general meeting.

Salvatore Talarico motioned the approval for the request going forward, due to the payroll system changing recently, that the Committee receive copies of the DIA Director's timesheets the same time they are submitted for processing on a weekly basis and be copied on all DIA Director time off requests; Keith Libman seconded. The motion to approve the request was unanimously approved.

7. Approval of Audit Committee 2022 Meeting Schedule

Salvatore Talarico motioned to approve the Audit Committee 2022 Meeting Schedule; Keith Libman seconded. The motion to approve the Audit Committee 2022 Meeting Schedule was unanimously approved.

8. Old Business:

a. Member Reappointment

Armond Budish indicated that Yvette Ittu has accepted the nomination for reappointment as Audit Committee member and the request is in the process of being submitted to Council for approval.

b. Follow-up Items from 4th Quarter Meeting

Monica Houston 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.

c. Bank Reconciliation

Leigh Tucker, Deputy Fiscal Officer, addressed the Audit Committee regarding the bank reconciliation and a reconciling item in 2020 totaling \$14 million identified by the external auditors requiring a re-performance of 2020 and 2021 reconciliations. Committee members asked questions of Ms. Tucker pertaining to the item, which she answered accordingly. Michael Chambers, Fiscal Officer, indicated that he is committed to providing the staffing resources necessary to complete the bank reconciliations in a timely manner and address any issues in the process.

In closing, Armond Budish requested Leigh Tucker arrange a meeting for a separate discussion over the \$14 million in reconciling items with Keith Libman, Trevor McAleer, Walter Parfejewiec, Michael Chambers, and Monica Houston.

d. Audit Committee Jurisdictional Sub-Committee Update

Mark Musson, Assistant Prosecuting Attorney, reported that the sub-committee met with Yvette Ittu to discuss the concerns and started to work with the Finance Department to identify where relationships are formed through contractual agreements or budgetary appropriations. Mark noted work on jurisdictional review continues and progress is being made. There was no additional information to report at current meeting.

e. External Auditor Transition Update

Leigh Tucker, Assistant Fiscal Officer, reported that the new external auditors will finish auditing the County's 2021 financial statements by May 30th, with the audited financial statements to be issued sometime in June. Michael Abouserhal inquired whether the bank reconciliation issue would cause delays with the external audit; Monica Houston responded that due to the revised order for the performance of the work by the new external auditors such does not appear to be a concern currently. No further discussion or questions were raised.

f. Annual External Auditor Post Audit Meeting - 2020 Financial Statements

Michael Abouserhal reported that the meeting occurred between the Audit Committee and External Auditors on January 11, 2022 at 9:00 am. All Audit Committee members were present. No discussion or questions were raised.

g. Annual External Auditor Pre-Planning Audit Meeting - 2021 Financial Statements

Michael Abouserhal reported that the meeting occurred between the Audit Committee and External Auditors on February 2, 2022 at 9:00 am. All Audit Committee members were present except Keith Libman. No discussion or questions were raised.

h. Recommendation for Revision to Cuyahoga County Charter

Monica Houston reported she would inquire further with Council and the Law Department for a more definitive approach for DIA to gain unrestricted access and will notify the Committee at the following meeting of any updates. Committee members asked questions of Ms. Houston pertaining to the item, which she addressed accordingly.

i. Semi-Annual Audit Issue Update

A copy of the Semi-Annual Issue Tracker Report December 31, 2021 was provided to the Audit Committee in their materials. Due to time constraints this item was not addressed during the meeting.

j. Management Update on 2020 Financial Audit Findings

Leigh Tucker, Assistant Fiscal Officer, provided an overview of each non-IT finding and management letter comment individually and an update on County management's progress with providing management responses and corrective action. Jeremy Mio, Information Security Officer, provided a brief overview and update on corrective action for each IT related management letter comment. Committee members asked questions of Ms. Tucker and Mr. Mio pertaining to their respective items, which they answered accordingly.

9. Other Business:

a. Confirm Independence of Audit Personnel

All DIA members provided the independence statements at the beginning of 2022. Monica Houston reported no disclosures of concern relative to independence.

b. Resident Member Independence Disclosure

All resident members of the Committee have provided their annual disclosures. Monica Houston reported no disclosures of concern relative to independence.

c. Discussion on Department Annual Performance Process

Monica Houston reported that 2021 performance appraisals were completed for all DIA staff and goals for 2022 have been submitted. Monica Houston reported no issues or concerns relative to performance.

d. Director of Audit Annual Performance

Monica Houston provided a brief overview of proposed goals for 2022 for the committee to consider and approve. No discussion or questions were raised.

Keith Libman motioned to approve the Director of Audit Annual 2022 Performance Goals; Salvatore Talarico seconded. The motion to

approve the Director of Audit Annual 2022 Performance Goals was unanimously approved.

e. Schedule Update to Council

Monica Houston indicated she would work with Trevor McAleer to schedule a meeting with the new Council committee chair and will request that the presentation occur in June or July 2022. No discussion or questions were raised.

f. Report of Performance Relative to Prior Year Audit Plan

Monica presented the 2022 Audit Plan Report. No discussion or questions were raised.

g. Approval of Frequency Guide for audit coverage

Monica recommended DIA adopt the cyclical strategy, which establishes a risk-based approach with all high-risk areas subject to an annual audit, medium risk areas ever 2-3 years, and low risk areas every 4 years.

Keith Libman motioned to approve the cyclical method Frequency Guide for audit coverage strategy; Salvatore Talarico seconded. The motion to approve the Frequency Guide for audit coverage strategy was unanimously approved.

h. Approval of 2022 Audit Plan

Monica Houston provided a brief overview of the 2022 Audit Plan. Committee members asked questions of Ms. Houston pertaining to the item, and she answered accordingly.

Trevor McAleer motioned to approve the 2022 Audit Plan; Keith Libman seconded. The motion to approve the 2022 Audit Plan was unanimously approved.

i. Status of Current Engagements

i. Update on Current Audit Engagements

Monica Houston provided a brief update on current audit engagements. No discussion or questions were raised.

j. Current/Emerging Risks

Monica Houston presented a brief update on current/emerging risks. She advised of an emerging risk relative to ERP Payroll controls. Monica noted that she anticipates the need for DIA to perform a full payroll review once the new ERP payroll systems are fully implemented. No discussion or questions were raised.

10. Public Comment – Unrelated to Agenda

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

11. Next Meeting – Thursday, June 9, 2022, 9:00 AM - 12:00 PM

12. Adjournment

Trevor McAleer motioned to adjourn the meeting; Salvatore Talarico seconded. The motion to adjourn the meeting was unanimously approved at 12:00 p.m.

(signature on file)

Michael Abouserhal, Chair

MA/ts