

**Minutes
CUYAHOGA COUNTY
AUDIT COMMITTEE
REGULAR MEETING
June 9, 2022, 9:00 AM - 12:00 PM**

1. Call to Order – meeting of June 9, 2022

The meeting was called to order at 9:05 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

Absent: Yvette Ittu

3. Public Comment - Related to Items on the Agenda

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

4. Approval of Minutes – March 24, 2022

Keith Libman motioned to approve the March 24, 2022, minutes; Trevor McAleer seconded. The motion to approve the March 24, 2022, minutes was unanimously approved.

5. Executive Session (As Necessary)

Salvatore Talarico motioned that the Committee go into Executive Session per ORC 121.22(G)(1) to consider the employment and promotion 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 11:22am. The Executive Session adjourned without objection at 12:05pm. Michael Abouserhal then reconvened the general meeting.

Salvatore Talarico motioned to adjust the annual budget to promote a Staff Auditor to Senior Auditor, furthermore, recommending the promotion of Tom Schneider, Staff Auditor, to Senior Auditor; Keith Libman seconded. The motion was unanimously approved.

6. Old Business:

a. Member Reappointment

Monica Houston, Internal Audit Director, confirmed that Council had confirmed Yvette Ittu's nomination for reappointment as Audit Committee member effective May 10, 2022.

b. Follow-up Items from 4th Quarter Meeting

Monica Houston addressed the committee regarding the follow-up items. Committee members asked questions pertaining to the items, which were answered accordingly. No further discussion or questions were raised.

c. Bank Reconciliation

Leigh Tucker, Deputy Fiscal Officer, addressed the Audit Committee regarding the bank reconciliation and relative write-off. Committee members asked questions of Ms. Tucker pertaining to the item, which she answered accordingly. Ms. Tucker provided confirmation that the \$2 million write-off has remained consistent and will be reflected in the 2022 financials. No further discussion or questions were raised.

d. Audit Committee Jurisdictional Sub-Committee Update

Monica Houston presented the Jurisdictional Sub-Committee mandate to the Committee for discussion and consideration. Committee members made inquiry and Chairman Abouserhal requested a consensus. Upon further inquiry Ms. Houston presented a working draft of the Extra-Juris Entity Funding Source matrix that would be the basis of the final work product produced by the sub-committee. Committee members made additional inquiry which was responded to accordingly by Ms. Houston. The Committee came to a consensus that the mandate presented agreed with the work desired and requested that the sub-committee work with Fiscal to validate the funding sources for the relative entities. There was no further discussion held or questions raised.

e. External Audit Update

Leigh Tucker, Assistant Fiscal Officer, reported that a 30-day extension for the filing of the County's Annual Comprehensive Financial Report (ACFR) was requested and granted by the Auditor of State. The revised deadline is June 30, 2022 and Clark Shaefer Hackett expects release of the audit report by August 1, 2022. Inquiry was made relative to the quality of communication with the new auditor. Ms. Tucker provided positive feedback. No further questions were raised.

f. Director Evaluation

Item discussed during Executive Session. No action taken.

g. Recommendation for Revision to Cuyahoga County Charter

Monica Houston presented a legal opinion provided to the Cuyahoga County Board of Elections (BOE) from David Lambert, Chief, Civil Division, Cuyahoga County Prosecutor Office, dated August 25, 2020. The opinion discussed the issue of the Cuyahoga County Department of Internal Auditing's (DIA) jurisdiction to conduct an audit of operations of the BOE. Ms. Houston discussed the impact of the legal opinion, particularly the legal analysis that indicated that the Cuyahoga County Charter ("Charter") is devoid of language providing enforcement authority for the DIA to mandate that entities submit to an audit, on DIA's conformity with the professional standards issued by the Institute of Internal Auditors as required by Section 11.04(3)(a) of the Charter. She recommended revisions to the Charter to clarify DIA's right to audit and access to records. Discussion ensued amongst the Committee members. Chairman Abouserhal requested that a sub-committee be convened to further examine the concern. Trevor McAleer agreed to convene on the matter along with Mike Chambers, Monica Houston, and Mark Musson. Chairman Abouserhal asked Ms. Houston to provide an update at the next meeting.

7. Other Business:

a. Audit Department Salaries

Monica Houston indicated that she was not recommending an increase to salaries and informed the Committee of an additional cost of living

adjustment (COLA) increase of 1% effective July 2022 applying to all County employees. Council approved the COLA increase two weeks ago. No discussion or questions were raised.

b. 2022 Budget Update

Monica Houston indicated that current expenses to date are on track with budget projections for the year. One variance, however, in Professional Services exists due to securing the contract to hire a consultant to perform the IT general controls risk assessment, which will need an encumbrance. The discussion relative to budget reallocation was held in Executive Session.

c. Review of Annual Update to Council Report

Monica Houston presented the 2022 Update to Council Report for approval of release. She indicated that, as recommended by Trevor McAleer, she would contact the new Chair of the Council Operations, Intergovernmental Relations, & Public Transportation (COIT) Committee to schedule the annual presentation for some time in June or July. No discussion or questions were raised.

Salvatore Talarico motioned to release the Annual Update to Council Report; Keith Libman seconded. The motion to release the 2022 Update to Council Report was unanimously approved.

d. Semi-Annual Audit Issue Update

Joshua Ault presented the Semi-Annual Audit Issue report as of May 26, 2022. He discussed revisions to the report that were present in the Semi-Annual Issue report as of November 21, 2021 provided to the Committee at each of the prior two meetings, as well as other more recent changes, including the Summary tables. Committee members asked questions pertaining to the item, which Mr. Ault answered accordingly. No further questions were raised.

e. Annual Review of Cuyahoga Charter

See Item 6g relative to Recommendation for Revision to Cuyahoga County Charter. There was no further discussion pertaining to the item.

f. Annual Review of Audit Committee Charter

Due to time constraints, Michael Abouserhal requested the Committee defer discussion to the next meeting.

g. Annual Review of Internal Audit Charter

Joshua Ault presented the recommended revisions from the department's annual review of the Internal Audit Charter. Committee members made inquiry and had discussion.

Trevor McAleer motioned to approve all revisions to the Internal Audit Charter, sans the Executive's signature; Salvatore Talarico seconded. The motion to approve all revisions to the Internal Audit Charter, sans the Executive's signature, was unanimously approved.

h. Annual Review of Internal Audit Policy

Joshua Ault presented the recommended revisions from the department's annual review of Internal Audit Policy.

Salvatore Talarico motioned to approve all revisions to the Internal Audit Policy; Trevor McAleer seconded. The motion to approve all revisions to the Internal Audit Policy was unanimously approved.

i. Status of Current Engagements

i. Update on Current Audit Engagements

Monica Houston provided a brief update on current audit engagements and indicated that updates to the Committee are also provided monthly:

- Senior and Adult Services. DIA is on track to release the audit draft to the Audit Committee by the estimated date of July 8, 2022.
- Employee Leave Payroll Review. More work than originally anticipated. The report draft release to the Audit Committee pushed out to 6/30/2022.

- Employee Recruitment, Hiring, and Retention in beginning planning stages.
- IT General Controls Review. Joshua Ault indicated that County IT provided feedback on potential vendors and Law department provided insurance requirements and advised there is no bond requirement.
- Real Property Revenue and Receivables. More work than originally anticipated. DIA anticipates a need to increase the budgeted hours to complete the audit.

No discussion or questions were raised.

j. Current/Emerging Risks

Monica Houston briefed the Committee on the emerging risks relative to Diversity Equity, and Inclusion (DEI). She informed the Committee of Councilmember Cornwell's inquiry relative to available DIA support of the Countywide DEI initiative. The Committee requested that Ms. Houston provide further discussion over DIA's potential role in providing assurance over DEI at the next meeting. No further discussion or questions were raised.

8. Public Comment – Unrelated to Agenda

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

9. Next Meeting – Thursday, September 8, 2022, 9:00 AM - 12:00 PM

10. Adjournment

Salvatore Talarico motioned to adjourn the meeting; Keith Libman seconded. The motion to adjourn was unanimously approved at 12:09 p.m.

(signature on file)

Michael Abouserhal, Chair
MA/ts