



**CUYAHOGA COUNTY
AUDIT COMMITTEE**

MINUTES

Thursday, May 7, 2015

Members Present: Armond Budish
Michael Abouserhal, CPA
Trevor McAleer (representing Dan Brady, County Council)
Dennis G. Kennedy, CPA, Chair

Guests: Joe Boatwright Mrs. Armond Budish
Valerie J. Harry, CPA Chris Glassburn
Ken Surratt Gary Shamis, CPA
Mike King Cory Swaisgood, CPA
Bonnie Inniss

- I. A meeting of the Audit Committee, held at the Cuyahoga County Administrative Headquarters, 2079 East Ninth Street, Cleveland, Ohio, was called to order at 2:04 PM.
- II. A motion to approve the minutes of the meeting held December 2, 2014 could not be made due to changes in the Committee's membership. Mr. Abouserhal, the only remaining member since the December meeting, acknowledged that he read and found the minutes to be accurate. It is noted that the minutes will be posted to the Audit Committee's website for the record, but no vote for approval was received.
- III. Mr. Kennedy asked for public comment related to items on the agenda. No comments were made.
- IV. Other Business:
 - a. Ms. Harry presented an update of current internal audit engagements and discussed the preparation of the upcoming risk assessment of 80-90 agencies. A standardized risk assessment questionnaire created by the Internal Auditing Department was sent out. Questions from the Committee ensued.
 - b. Mr. Kennedy discussed the contract with the State Auditors. A 30-day extension was requested and received from The Auditor of State's office and the Government Finance Officers' Association office (GFOA) for filing fiscal year 2014 financial report and the 2014 Comprehensive Annual Financial Report (CAFR), respectively. A pre-audit meeting is scheduled on May 13.

Financial Services is working with Local Government Services (LGS) to complete the Comprehensive Annual Financial Report (CAFR). A discussion of the irreconcilable difference, as identified by the Auditor of the State was discussed. LGS will submit a detailed proposal which is expected next week. Details of the component cost estimate to be discussed.

Mr. Abouserhal questioned the delay in responding to audit questions, and suggested a timeline be prepared. Mr. Kennedy will prepare a list of items, showing where we stand, and what will not be complete.

- c. Mr. Kennedy discussed the need of an audit in one of Fiscal's divisions for internal control purposes. The process will provide job procedures and will prove to be a benefit to Fiscal.
- d. Ms. Harry recommends hiring Cory Swaisgood, Internal Audit Staff Auditor, for the position of Internal Audit Manager with a request for retroactive pay from January 1, 2015. Mr. Swaisgood has filled the position on an interim basis under a Temporary Work Level (TWL) since April 2014. Questions ensued.

On a Motion made by Dennis Kennedy and seconded by Michael Abouserhal, it was agreed unanimously, to accept the recommendation to hire Cory Swaisgood as Internal Audit Manager of the Department of Internal Auditing with retroactive pay from January 1, 2015.

- e. Mr. Budish is prepared to make an appointment to a candidate to fill the citizen's vacancy on the Audit Committee. The process for onboarding was detailed.
- f. Future meeting dates and times will be coordinated based on Charter requirements. Meetings are to be held on a quarterly basis and other meetings scheduled as needed. A majority of members preferred meetings to be held on Thursdays or Fridays. A tentative schedule will be developed and sent to all.
- g. Ms. Harry asked for approval for payment of two pending invoices as follows: 1) CaseWare IDEA Inc., for software training, in the amount of \$2,102.80 and, 2) CCH@TeamMate Audit Management Software Suite, 1 year contract, in the amount of \$6,920. Services for both invoices were rendered.

Mr. Abouserhal asked that in the future all invoices are sent to the Committee by email for approval in advance.

On a Motion made by Trevor McAleer and seconded by Dennis Kennedy, it was agreed unanimously to approve payment for CaseWare IDEA in the amount of \$2,102.80 and CCH@TeamMate Audit Management Software Suite, 1 year contract, in the amount of \$6,920.

- h. The Audit Committee has the responsibility to do the performance evaluation of the Ms. Harry, the Internal Audit Director. The evaluation should be forwarded to Human Resources by May 15. A draft of Ms. Harry's evaluation will be circulated to each member of the Committee to provide feedback. Ms. Harry has completed performance evaluations for all Internal Audit Department's staff.
 - i. A total of 80 hours of continuing education credits every two years with, no less than 20 hours in any one year is required by Government Auditing Standards for each member of the Internal Audit Department. Ms. Harry discussed several upcoming training opportunities including the Auditor of State/Attorney General training being held this month. All members of the Internal Audit staff will attend this conference. Jeremy Hejnal and Kim Seeley, Staff Auditors, will attend the Government Finance Officers' Association (GFOA) conference in Philadelphia beginning May 30 and ending June 3. Ms. Harry and Cory Swaisgood, Interim Audit Manager, will attend the Association of Certified Fraud Examiners Conference being held in Baltimore beginning June 14 and ending June 19. Registration for staff has been completed.
 - j. The 37 applicants that applied for the Staff Auditor's position resulted in four candidates interviewed. Ms. Harry will consider two candidates--one part-time, and one full-time position. Funds are available in the budget for both. The applications and resumes of these individuals will be forwarded to all by email prior to the offers.
- V. Mr. Kennedy asked for any public comments. The following comments were made:
- a. Ms. Harry notified the Committee of the need to review the Audit Committee Charter and the Internal Audit Charter.
 - b. Ms. Harry mentioned the changes coming to the Federal Audit requirements and how it would impact the County, as well as stressing the need for a grant coordinator position within the Fiscal Office.
 - c. Mr. Abouserhal asked about the status of the Skip Jack issue. Ms. Harry provided an update. A follow up is forthcoming.

- d. Additionally, Mr. Abouserhal asked about the Treasury Audit. It was noted that no response was ever received. It was suggested that the new Treasurer be invited to a future meeting.
- VI. A schedule of dates for the next meetings will be sent by email.
- VII. The meeting was adjourned at approximately 3:42 PM.



Dennis G. Kennedy, CPA, Chair

DGK/bi