

MINUTES OF THE BOARD AUDIT COMMITTEE

Open Session –June 9, 2005



Mrs. Mack called the meeting to order at 12:00 p.m. Present were:

Committee Members:

Mrs. Gladys Mack
Mr. Dana Kauffman
Mr. Charles Deegan
Mr. Robert Smith
Mr. Marcell Solomon

Other Members:

Gordon Linton
Catherine Hudgins
Dan Tangherlini

I. ACTION ITEMS:

A. Approval of Minutes of March 10, 2005

Minutes were approved.

II. INFORMATION ITEMS:

A. Review of Quarterly Audit Reports for January – March 2005

- Mr. Stewart briefed the committee members on the Audits included in the Third Quarter Quarterly Audit Reports.
- Several comments regarding Investigative Audit on Alleged Theft and Forgery of Checks. Mr. Linton suggested to re-word the language used for better clarification. Mr. Deegan had concern as to why the employee was reassigned. It was explained in further detail by Ronald Edwards, ICES, however, since the finalization of the report, the employee in question has resigned from the company.
- Mr. Stewart gave an overview of an Investigative Audit about Mismanagement in the Office of General Counsel. He stated there were eight allegations, none were substantiated. There were seven suggested recommendations. In the handout, only two were listed. Mr. Solomon asked what the other five recommendations were. Mr. Stewart read them to the committee.

Audit Committee Minutes
June 9, 2005

Mrs. Mack asked if there were any further questions and/or comments. None being, Mr. Stewart proceeded to give an overview of the FY06 Audit Plan and Objectives.

B. Presentation of FY06 Audit Plan

- Mr. White gave introductory comments to the committee referencing last year's suggestion to refocus the Audit Committee. He also wanted the committee to know that this presentation was a continuation of last years audit plan.
- Mr. Kaufman asked Mr. White to remind the committee on the follow up on the two supplemental procedures.
- Mr. Stewart continued the presentation.
- Mr. Linton asked Mr. Stewart if Audit performed operational audits and if it was included in the FY06 audit plan.
- Mr. Stewart responded yes.
- Mr. Kaufman commented for clarification purposes, the procedures for internal audits. Stating the following - the difference from last year to this year -
 - These are now public documents
 - Clarified that all recommendations made would either be implemented or separate actions would be taken to determine why the recommendations could not be implemented
 - Audit will now be doing operational audits
- In the Information Technology Audit overview, Mr. Stewart made reference that this type of audit monitors electronic collection of revenue and will include continuous risk assessment of the processes to evaluate potential areas of vulnerability. Mr. White interjected and informed the committee that this is an area in which the police department has also supplemented their capabilities too as well.

Audit Committee Minutes
June 9, 2005

- Mr. Stewart informed the committee that there will be performance measurement audit issues. Mr. Linton asked if Mr. Stewart could give an example of an operations performance audit.
- Mr. Stewart referred to a previous inventory storeroom audit and an audit on inventory. Mr. Linton suggested doing an audit on recruitment and hiring process. Mr. Stewart said an audit was performed in that area several years ago and could be revisited again. Mr. White stated the need to get the committees input to decide whether the authority need to alter the current audit program based upon some of the things they believe audit ought to be looking at and that the purpose is to solicit their input to shape a workable program.
- Mrs. Mack commented on last years Benefits Audit which was performed in-house rather than using an outside auditing firm.
- Mr. Tangherlini suggested doing an audit on Bus Maps.

Mrs. Mack asked if there were any further questions and/or comments. None being, the meeting was adjourned at 12:45 p.m.