

Bowling Green Audit Committee

Special Meeting

July 15, 2019

The Bowling Green Audit Committee convened in a special meeting at 3:30 p.m. on July 15, 2019 in the Conference Room at Neighborhood and Community Services. The meeting was called to order by Past Chairman Jeffrey Stein. Members of the Committee present were: Audit Professionals Brian Dinning and Jeffrey Stein, General Business member John Ward, City Commissioner Joe Denning and Ex-Officio member City Manager Jeff Meisel. Absent: General Business member Vivian Grise. Also present were Assistant City Manager/Chief Financial Officer Katie Schaller-Ward, Assistant Chief Financial Officer Sean Weeks, Public Works Director Greg Meredith, Fleet Manager Kris Crowe, City Internal Auditor Deborah Jenkins and City Clerk Ashley Jackson. There was a quorum of the board present.

Approval of Minutes.

Past Chairman Stein announced that the first item of business was to approve the minutes of the January 14, 2019 regular meeting, which was mailed with the agenda to the members for their review prior to the meeting. Motion was made by Ward and seconded by Dinning to accept the minutes as written. The minutes were approved as written by unanimous vote.

FY2020 Chair and Vice-Chair nominations.

Motion was made by Mr. Denning and seconded by Mr. Ward to nominate Mr. Stein to serve as Chair and Mr. Dinning to serve as Vice Chair for Fiscal Year 2020. All ayes, motion carried. The motion was approved by unanimous vote.

Presentation of the License Operations Follow-up Audit.

City Internal Auditor Deborah Jenkins reported three (3) of the five (5) recommendations were implemented, one (1) recommendation was partially implemented and one (1) recommendation had not been implemented. She explained the implementation of the software system was a key component in future efficiencies in processes and since the software had not been completed, the recommendation was not implemented. The three (3) implemented recommendations included management ensuring effective transaction audits and process monitoring in order to streamline work; create clear written policies and procedures to standardize processes, allow for adequate cross training and coordinate work time to ensure citizens are assisted during all the City's posted work hours; and maximize productivity of License and management ensuring all Payment Card Industry Standards are being met with any credit card payment received by License. Also, the one (1) recommendation which was partially implemented was the creation of appropriate performance measurements to increase the timeliness of operation processes. Ms. Jenkins mentioned staff turnover affected the staff's ability to implement processes such as updates for returned mail, 1099 audits and increasing overall transaction reviews, and furthermore there is a desire to free up time for the Business Tax Auditor and Business License Manager to spend more time on audits and reviews. It was added an external Information Technology Audit from a third party will be coordinated once the new software goes live and an update will be provided to the Committee. In response to a question from Mr. Denning about safety measures to eliminate fraudulent activity, staff confirmed there are more operational controls than ever before and appropriate segregation of duties.

Presentation of the Fleet Technician Efficiency Follow-up Audit.

City Internal Auditor Deborah Jenkins reported six (6) of the seven (7) recommendations were implemented and one (1) recommendation was partially implemented. Of the recommendations the six

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(6) that were implemented are as follows: management standardized technician procedures and ensured all labor hours are consistently and accurately entered so data is relied upon by management and used to evaluate performance and staffing needs; management evaluated current technician staffing levels; management implemented the updated Fleet Focus software; daily scheduling processes was improved to use the software and streamline the manual process, and management worked to incorporate the fire fleet services within the general shop scheduling and supervision. The one (1) partially implemented recommendation was for management deciding what levels of service should be provided, if any, to outside agencies and a written agreement should be approved by the Board of Commissioners. Ms. Jenkins confirmed this recommendation is specifically related to an agreement with Community Action for service of the Transit vehicles and with the assistance of Neighborhood and Community Services, this is being further reviewed.

Presentation of the Parks Various Sport Contracts Follow-up Audit.

City Internal Auditor Deborah Jenkins reported two (2) of the five (5) recommendations were implemented, two (2) were partially implemented and one (1) was not implemented. She reviewed two (2) recommendations as implemented, and those included review of the contract with Bowling Green Road Runners Club and determined the club no longer has a contract with the City and any future events will be consistent with normal rental procedures. Secondly, management determined SOKY Tennis remains a contract sport with the City and appropriate documentation such as the waiver of responsibility forms were completed, however background checks are no longer needed as there is no longer a youth program. The two (2) partially implemented recommendations were mentioned and involve management updating financial statements due dates within each contract and ensure proper review of statements performed by staff, and Parks staff should send invoices to the various sports with deadline dates to ensure participation information and payments are received on a timely basis. In conclusion, the one (1) not implemented recommendation was for the Parks staff to work closely with Bowling Green West Little League to ensure appropriate documentation and procedures are following during times of transition. Ms. Jenkins confirmed West Little League is now known as Bowling Green Youth Cal Ripken League and no documentation was provided to verify background checks, annual training or certification listings. A retirement in direct management may have limited the implementation process particularly in the oversight areas and it was noted recent Kentucky legal cases could affect the implementation process as well.

Presentation and approval of the 2019/2020 Annual Audit Report.

Ms. Jenkins reported on the FY2019/2020 Audit Plan. She explained her goal was to transition audits to a more limited scope versus large operational audits in order to have increased flexibility, as well as add more frequent site visits to City locations. It was further said she would be providing monthly highlight reports, as well as inform management and elected officials of her activities on a monthly basis. The Annual Audit Report includes time to conduct follow-up audits of Cemetery Administration and the TimeClock system, as well as oversee the BOLT implementation review, unannounced cash counts, Employee Ethics Hotline, and other special requests and advisory needs of management. Motion was made by Mr. Dinning and seconded by Mr. Denning to approve the FY2019/2020 Annual Audit Plan as written. All ayes, motion carried.

The Committee also acknowledged and congratulated Ms. Jenkins for being awarded the 2018 Distinguished Knighton Award in the Extra Small Shop Category for the Building and Inspection Division Audit by the Association of Local Government Auditors (ALGA).

The next quarterly meeting is scheduled for October 14, 2019.

Ms. Jenkins announced the next regular scheduled meeting date and time.

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Adjournment.

There being no other business to be conducted, at 5:00 p.m. Chairman Stein declared the meeting adjourned.

October 14, 2019
Date Approved

[Signature]
Chair

Ashley Jackson
Ashley Jackson, City Clerk

Minutes prepared by City Clerk Ashley Jackson