

**AUDIT SERVICES OVERSIGHT COMMITTEE**  
**Monday, February 22, 2021**  
**Virtual Meeting via Zoom 3:30 P.M.**

The Audit Services Oversight Committee met at the above date and time with the following members present: Chair-Maticia Sims and Vice Chair-Nicholas Long, Shanell Frazer, Mayor Steve Schewel, Councilman Charlie Reece.

Also present: Interim City Manager Wanda Page, Deputy City Manager Bo Ferguson and Interim Deputy City Manager Regina Youngblood (HR Director); Fire Department Chief Robert Zoldos; Fire Department Deputy Chief Chris Iannuzzi; Fire Department Assistant Chief Brian Eaton; Roger Thomerson- Fire Department; Finance Director David Boyd; Joyce Cooper- Finance Department; Fred Nielsen-Finance Department; Christina Riordan- Budget and Management Services Department; Finance Department Accounting Services Manager Dave Hickman; Director of Audit Services Dr. Germaine Brewington and the Audit Services Department Staff.

Not present: Deputy City Manager Keith Chadwell and Mayor Pro Tempore Jillian Johnson

The Chair, Maticia Sims, called the meeting to order at 3:30 PM.

**SUBJECT: APPROVAL OF MINUTES – JANUARY 25, 2021**

**Motion** was made and it was properly seconded to approve the minutes of the January 25, 2021 Audit Services Oversight Committee meeting.

The motion passed unanimously.

**SUBJECT: ADJUSTMENTS TO AGENDA**

The March meeting will be cancelled due to the staff not having a report to present to the committee and it was brought to the attention of the committee to potentially meet in May. The staff reminded the Committee that they must meet at least 4 times per fiscal year per the Charter and the Audit staff has ensured already that this requirement has already been met.

There were no adjustments to the agenda.

A motion was made and it was properly seconded to approve the excused absence for Mayor Pro Tempore Jillian Johnson.

**SUBJECT: PROCUREMENT CARD PERFORMANCE AUDIT DATED FEBRUARY 2021**

Sonal Patel, Assistant Director, gave a PowerPoint presentation and stated that this audit report was important because Procurement Card audits are important to detect fraudulent activity in this process. More importantly, though, this audit was important for testing the effectiveness of

procurement card controls including staff training, and compliance by the Purchasing Division staff and the cardholders and approvers of the procurement card transactions.

### **Recommendation 1**

The Finance Department staff should revise the Procurement Card (P-Card) Procedures Manual to include the following:

- Updated processes as a result of MUNIS implementation;
- A statement suggesting the preferred method for approval of P-Card transactions is via MUNIS; and approval via email should only be used if MUNIS is not accessible;

Finance staff should also make the manual readily available to City staff by posting it on the CODI site. In addition, Finance Department staff should determine if having a separate Procurement Card Policy with appropriate senior-level approval would be beneficial.

*Management concurs.*

### **Recommendation 2**

The Finance Department staff should automate the process of transferring Procurement Card transactions from the Bank of America system to MUNIS if feasible.

*Management concurs.*

### **Recommendation 3:**

The Finance Department staff should strengthen monitoring of the Procurement Card Program:

- By re-initiating the P-Card Audits and P-Card statement reconciliation reviews. Staff should reimagine how these monitoring activities can be performed given the increase in telecommuting and change in systems;
- By beginning to review declined and disputed transactions frequently;
- By implementing supervisory oversight over the manual processes in MUNIS; and
- By obtaining a report of employees separated from the City to proactively inactivate P-Card user and cardholder profiles within the Bank of America and MUNIS systems.

*Management concurs.*

### **Recommendation 4:**

The Finance Department staff should ensure that access is only granted on a need to know basis for the Bank of America Works System.

*Management concurs.*

### **Recommendation 5:**

The Finance Department staff should guide departments about shipping and receiving of ordered products to personal residences.

*Management concurs.*

### **Questions/Comments:**

There was no further discussion on the audit report.

**SUBJECT: DISCUSSION OF INPUT/OUTREACH FOR FY22 ANNUAL AUDIT PLAN**

**Questions/Comments:**

Mayor Steve Schewel wanted to take a moment to let staff know that he appreciated the audit and understood that the staff had to dig and do some technical work to make this report possible. Mayor Steve Schewel thanked the staff for their work.

Councilman Charlie Reece shared that he had no idea how complicated this work was but learns so much by reading over these reports. Councilman Charlie Reece also took time to thank the staff.

**SUBJECT: FY21-SECOND QUARTER FWA REPORT AND AUDIT RECOMMENDATIONS FOLLOW-UP REPORT**

**Questions/Comments:**

There was no further discussion on the second quarter FWA report.

Dr. Brewington thanked the staff for their diligent work and wants to make sure that each of the staff have an opportunity to present to the committee. Dr. Brewington also shared that the staff will not have a report for the month of March and will convene for the next virtual meeting scheduled for April 26, 2021. An important announcement is that Madame Chair will roll off of the committee June 2021.

**Questions/comments:**

Madame Chair Maticia Sims thanked the staff and offered congratulation to Dredlin for receiving her certifications. Madame Chair shared a request from the Clerk's Office inquiring about any technical issues users are having with this public meetings platform. There were no issues to share.

Chair Maticia Sims adjourned the meeting at 4:07 p.m.

Respectfully submitted,

Jamie Tindal