

Bowling Green Audit Committee
Special Meeting
April 16, 2012

The Bowling Green Audit Committee convened in a special meeting at 3:30 p.m. on April 16, 2012 in the City Hall Commission Chamber. The meeting was called to order by Chair David McKillip. Members of the Committee present were: Audit Professionals David McKillip and Cristi Pruitt, General Business members Scott Gary and James Martens and Ex-Officio member City Manager Kevin DeFebbo. Absent: Commissioner Joe Denning. Also present were Neighborhood and Community Services (NCS) Director Brent Childers, Police Chief Doug Hawkins, Internal Auditor Deborah Jenkins and Assistant City Clerk Ashley Jackson. There was a quorum of the board present.

Approval of Minutes.

Chair McKillip announced that the first item of business was to approve the minutes of the January 9, 2012 regular meeting, which were mailed with the agenda to the members for their review prior to the meeting. Motion was made by Mr. Martens and seconded by Ms. Pruitt to accept the minutes as written. The minutes were approved as written by unanimous vote.

Present Code Enforcement Follow-up report.

Ms. Jenkins introduced Neighborhood and Community Services (NCS) Director Brent Childers who was in attendance and available for questions during the review of the follow-up. Ms. Jenkins reviewed the five (5) recommendations that were previously observed during the audit. The first recommendation was that the Police Department should implement an accurate system to track and enforce parking citations and that was fully implemented; second recommendation was that City Central should require that all appeals are written in accordance with the City of Bowling Green Code of Ordinances and Kentucky Revised Statutes (KRS) and that was fully implemented; the third recommendation was a standardized and timely method of recording adjustments to fees should be created in order to ensure accurate amounts are charged and collected from citizens and Ms. Jenkins reported that this recommendation was partially implemented, as the Logos Software and Financial Management module needed to be integrated and it was expected to be completed in 2012; fourth item of recommendation reviewed was the Code Enforcement Board should require citizens to appear before the board in order to hear their appeal in accordance with KRS and City Code and it was confirmed that this was fully implemented; and lastly, the fifth recommendation was that there should be a follow-up procedure implemented that responds to complaints in order to inform them of actions taken, if applicable, to remedy their complaint and increase citizen satisfaction and that was not implemented at this time. Mr. Childers explained that no formal follow-up letters had been in place since August 2011, and City Central staff believed that often time follow-up letters confused complainants and resulted in additional calls asking for an explanation. When the part-time position responsible for mailing the monthly letters was vacated, the letters were no longer mailed and as of May 1st the Code Enforcement Division will be at full complement and plans to start a follow-up process in May and June.

Present BGPD Payroll Follow-up report.

Ms. Jenkins introduced Police Chief Doug Hawkins who was in attendance and available for questions during the review of the follow-up. She explained that there were a total of seven (7) recommendations that were previously observed during the audit. The first recommendation was a standardized special event system should be implemented which includes guidance for staff to decide when a cost recovery contract is appropriate and that was fully implemented; secondly, all off duty police or security related employment should be contracted directly with the City to properly follow

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employment regulations and limit liability to the City and it was fully implemented; in addition, the sale of personal time should be restricted to personnel assigned to a “shift” in accordance with the City’s Administrative Personnel Policy and Procedures Manual and that was fully implemented; the fourth recommendation was that the BGD should implement a system of reporting leave time and overtime which is accountable and ensures all leave taken and overtime earned by employees is accurately and timely reflected in the payroll system and this was determined to be not implemented. Ms. Jenkins confirmed that the City was exploring a systematic computer or network based alternative to manage payroll, leave and overtime for all departments city wide. She tested patrol on a random four (4) month period from 2011 and within the sample various discrepancies were verified. Since the initial audit there was an assigned payroll data entry staff member and an assigned back-up entry/review staff member assigned, however recently those two positions were combined, and a new backup payroll data entry employees has since been identified and will be trained. The fifth recommendation was that Human Resources should conduct a review of applicable supervisory employees to verify exempt versus non-exempt status and overtime should be enforced to those status determinations, and this recommendation was fully implemented per Ms. Jenkins; the sixth recommendation was for Human Resources to update or create new standardized forms to detail each pay adjustment calculation and create written procedures which specify exactly how pay increases and adjustments should be calculated and it was determined that this was fully implemented based on the follow-up; and, lastly the final recommendation was to utilize flex versus compensatory time should be clarified to ensure the Police Department is following applicable labor laws and since it is now being tracked in the payroll system, it was reported to be fully implemented.

Discussion of March 2012 narcotics burn.

Ms. Jenkins reported that the 2012 Bowling Green Police Department narcotics burn was completed. She and Evidence Custodian David Bragg of the Bowling Green Police Department examined all items marked for disposal and compared the case numbers to the ones provided on the Bowling Green Narcotics Disposal (BGND) form. All hazardous material was removed from the boxes and then sealed with tamper proof evidence tape, signed and dated and then taken for destruction. On March 2, 2011 Ms. Jenkins, Mr. Bragg and Captain Glenn Bratcher witnessed 2,090 units of narcotics related evidence being destructed at the Gallatin Steel Company in Ghent, Kentucky.

Approve renewal of external audit contract with Mountjoy Chilton Medley.

The approval of this item was required by the Committee as in years past before any external auditing services could be performed. Mountjoy Chilton Medley would want to begin auditing in late June and in order to do so, the Audit Committee would had to approve the renewal of contract for its fourth year and with the Committee’s approval, it would then be required to go before the City Board of Commissioners for approval. In addition, it was reported that the external audit contract would expire following the completion of the Fiscal Year 2013 audit. Motion was made by Mr. Gary and seconded by Mr. Martens to accept and approve the renewal of the external audit contract with Mountjoy Chilton Medley, for the fourth term. The contract was approved as presented by unanimous vote. Ms. Jackson stated that the approval of the renewal for the external audit contract was scheduled to go before the Board of Commissioners for approval at the May 1st Board of Commissioners meeting.

Discuss FY2013 requested budget.

Ms. Jenkins reported that she had finalized her Fiscal Year 2013 budget request and the total projected Fiscal Year 2013 budget was \$86,965. She summarized the various items that were budgeted and included professional services (external audit), telephone costs (cell phone stipend), local meeting costs, dues-memberships-fees, travel costs, special education, local mileage reimbursement, operating

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supplies and books and publications. Ms. Jenkins also stated that she was requesting additional monies for an employee hotline for employees to report suspected fraud or abuse to the Internal Auditor.

Ms. Jenkins lastly recognized James Martens as his term of office was expiring in May and that he had exceeded his terms of reappointment. He was presented with a thank you gift and letter from the City of Bowling Green. Mr. Martens expressed his appreciation to the Internal Auditor. Ms. Jenkins indicated that a new member would be appointed in May and would be introduced at the next regular meeting.

The next quarterly meeting is scheduled at 3:30 p.m. on July 9, 2012.

Ms. Jenkins announced the next quarterly meeting date.

Adjournment.

There being no other business to be conducted, at 4:25 p.m. Chair McKillip declared the meeting adjourned.

Date Approved

Cristi Pruitt, Vice Chair

Ashley Jackson, Assistant City Clerk