

Bowling Green Audit Committee
Regular Meeting
January 11, 2016

The Bowling Green Audit Committee convened in a regular meeting at 3:30 p.m. on January 11, 2016 in the Conference Room at Neighborhood and Community Services. The meeting was called to order by Chair Scott Gary. Members of the Committee present were: Audit Professionals David McKillip and Cristi Pruitt, General Business members Scott Gary and Tony Witty, and Ex-Officio member City Manager Kevin DeFebbo. Absent: City Commissioner Joe Denning. Also present were Parks and Recreation Director Brent Belcher, Recreation Manager Adam Butler, Assistant City Manager/City Clerk Katie Schaller-Ward, Purchasing Agent Marilyn Parrigin, Internal Auditor Deborah Jenkins and Assistant City Clerk Ashley Jackson. There was a quorum of the board present.

Chair Gary called the meeting to order and Ms. Jenkins introduced the City staff that was present and as well as the board members prior to the opening of the meeting.

Approval of Minutes.

Chair Gary announced that the first item of business was to approve the minutes of the November 30, 2015 special meeting, which was mailed with the agenda to the members for their review prior to the meeting. Motion was made by Mr. Witty and seconded by Mr. McKillip to accept the minutes as written. The minutes were approved as written by unanimous vote.

Presentation of the Parks Various Sport Contracts Audit.

Ms. Jenkins stated the objective of this audit was to review the various sport related contracts to ensure that the terms were being followed by the contracting agencies as well as Parks and Recreation personnel. Additionally, the criteria and approach was based on specific contract terms within each sport contract, as well as general best business practices, and there were a total of nine (9) contracts reviewed. The contracts included Bowling Green East Little League, Bowling Green West Little League, Southern Kentucky (SKY) Soccer, Southern Kentucky (SOKY) Basketball, Bowling Green Disc Golf, Southern Kentucky (SOKY) Disc Golf, Bowling Green Athletic Association (BGAA), Southern Kentucky (SOKY) Tennis and Bowling Green Road Runners Club.

There were five (5) recommendations provided by internal audit and included: 1) Parks and Recreation management should update financial statement due dates within each contract and ensure that proper review of statements are performed by staff; 2) Parks and Recreation staff should send invoices to the various sports with their deadline dates listed to ensure participation information and payments are received on a timely basis; 3) Parks and Recreation management needs to review the contract with Bowling Green Road Runners Club and determine whether or not this group should continue as a contracted entity or if they should be treated as other non-profit rentals; 4) Parks and Recreation staff needs to work closely with Bowling Green West Little League to ensure that appropriate documentation and procedures are followed during times of transition; and, 5) Parks and Recreation management should determine if Southern Kentucky (SOKY) Tennis should continue to be a contract sport with the City due to their failure to produce requested documentation needed to complete the audit testing.

The management responses were optimistic of the future processes, and confirmed that there would be more attention given to the contract requirements and training of staff and contract groups, as well as establishing deadlines. In addition, management agreed to send invoices to the contract sport groups and follow-up accordingly if needed, the Bowling Green Road Runners Club should be

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eliminated from the formal contract process and the parks fees and charges should reflect that change in the upcoming 2016 municipal order, and management further agreed to work with West Little League to ensure appropriate and standardized systems were in place and that the City would assist with the background checks and further ensure that training and certifications were performed and met each year. In conclusion, parks management's response to the SOKY Tennis recommendation was that all contract points would be addressed and adhered to before Parks and Recreation would enter into any future contacts with SOKY Tennis.

Ms. Jenkins remarked that it was a pleasure to work with Parks and Recreation Department once again and that management and staff are always supportive of an audit and looking for ways to improve its operations.

Presentation of the Purchasing Office Audit Follow-up.

Ms. Jenkins mentioned the importance of follow-up audits and gave a brief history of the original audit which was finalized in January 2013. It was reported she had originally presented six (6) recommendations in the Purchasing Office Audit and she was pleased to announce that all six (6) had been fully implemented. There were positive comments made by Ms. Jenkins and Ms. Schaller-Ward regarding the purchasing office improvements, particularly noting that the current Purchasing Agent Marilyn Parrigin was just beginning her new position when the audit began, which allowed her to start following the recommendations right away.

Presentation of the 2015 Annual Report.

An Annual Report prepared by Ms. Jenkins was discussed and briefly summarized. The report provided the Internal Auditor's activity summary for 2015. She confirmed completion of the Sloan Convention Center Management Contract Revenue Audit, Parks Various Sport Contracts Audit and Purchasing Office follow-up audit for Calendar Year 2015, and was preparing to begin on the Fleet Mechanic Efficiency Audit. Furthermore, she reported her yearly audit activity summary. The indirect audit time included holiday, vacation, sick time, personal time, employee appreciation, training, administration and Fraud Awareness presentations, for a total of 33%. The direct audit time included the unannounced cash counts, audit follow-up, Audit Committee/External Audits, Employee Ethics Hotline, advisory services, Risk Assessment/Audit Plan and special requests, for a total of 67%. There was discussion about the Hotline activity and how it fluctuates from year to year.

The next quarterly meeting to be rescheduled to April 11, 2016.

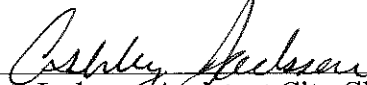
Ms. Jenkins announced the next regular scheduled meeting date and time.

Adjournment.

There being no other business to be conducted, at 4:32 p.m. Chair Gary declared the meeting adjourned.

July 11, 2016
Date Approved


Scott Gary, Chair


Ashley Jackson, Assistant City Clerk

Minutes prepared by Assistant City Clerk Ashley Jackson.