

Bowling Green Audit Committee
Regular Meeting
April 9, 2018

The Bowling Green Audit Committee convened in a regular meeting at 3:30 p.m. on April 9, 2018 in the Conference Room at Neighborhood and Community Services. Members of the Committee present were: Audit Professionals Jeffrey Stein and Brian Dinning, General Business members Vivian Grise and Tony Witty and Ex-Officio member Interim City Manager Katie Schaller-Ward. Absent: City Commissioner Joe Denning. Also present were Neighborhood and Community Services Director Brent Childers, Building Division Manager Jeremy Segur, Internal Auditor Deborah Jenkins and Acting City Clerk Ashley Jackson. There was a quorum of the board present.

Internal Auditor Deborah Jenkins introduced everyone.

Approval of Minutes.

Chairman Witty announced that the first item of business was to approve the minutes of the January 8, 2018 regular meeting, which was mailed with the agenda to the members for their review prior to the meeting. Motion was made by Mr. Dinning and seconded by Mr. Stein to accept the minutes as written. The minutes were approved as written by unanimous vote.

Present Building Division Permit and Inspection Audit.

Ms. Jenkins briefly reported on the background, objective, scope, criteria and approach, statement of standards and audit conclusion. She explained the objective of the audit was to ensure permit related fees complied with the City of Bowling Green Code of Ordinances, assess the accuracy and appropriateness of building and inspection fees, and determined the existence and effectiveness of internal controls within the Building and Inspection Division of Neighborhood and Community Services Department. Ms. Jenkins reviewed four (4) observations and recommendations provided by internal audit which included: 1) Management should implement a consistent follow-up procedure for expired permits and require written notice of canceled permits; 2) Management should work together to create a system that ensures that all City construction projects are permitted and inspected as required; 3) Management should evaluate re-inspection fees. They are rarely used in practice, only applicable to electrical permits and the fee is no nominal that it is not a deterrent to the contractors; and, 4) Management should review current overall fee structure and update as necessary.

Neighborhood and Community Services (NCS) Director Brent Childers made remarks regarding the management responses in the report. Mr. Childers explained the NCS Building Division is planning to reorganize and will work with Information Technology (IT) to implement a schedule report to view issued permits with no inspections and issued permits expiring within 30 days. It was also noted Chapter 6 (Building Regulations) of the City of Bowling Green Code of Ordinances and the Kentucky Building Code would be reviewed to determine the availability of implementing monetary penalties for missed inspections. Mr. Childers said he met with the Public Works Director and Parks and Recreation Director to discuss the importance of Project Managers working with awarded contractors to ensure the appropriate permits and inspections are completed. Additionally, management agreed to evaluate the fees related to building permits and inspections, as the current fees are outlined in the City's ordinance and based on the Kentucky Building Code, but the electrical fees and other fees have not been updated in several years. It was mentioned Warren County was hiring a new internal Electrical Inspector and he would like to compare fees with them. Mr. Dinning asked about the ability to cap fees for larger companies and Mr. Childers confirmed the ordinance currently provides the ability for the Director to waive fees for non-profits.

Discuss FY2019 requested budget.

Ms. Jenkins reported that she had finalized her Fiscal Year 2019 budget request and the total projected budget was \$84,310. She summarized the various items that were budgeted and included professional services (external audit and Employee Fraud/Ethics Hotline), telephone costs (cell phone stipend), local meeting costs, dues-memberships-fees, travel costs, special education, local mileage reimbursement, operating supplies and books and publications.

The next quarterly meeting is scheduled for Monday, July 9, 2018.

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

Ms. Jenkins also recognized Tony Witty as his term of membership to the Audit Committee is expiring in May and she presented him with a thank you gift on behalf of the City and letter from the Mayor. She reported John Ward would be the newest member of the committee.

Adjournment.

There being no other business to be conducted, at 4:30 p.m. Chairman Witty declared the meeting adjourned.

July 9, 2018
Date Approved

[Signature]
Chair

Ashley Jackson
Ashley Jackson, Assistant City Clerk

Minutes prepared by Acting City Clerk Ashley Jackson