

Bowling Green Audit Committee
Special Meeting
October 12, 2009

The Bowling Green Audit Committee convened in a special meeting at 3:30 p.m. on October 12, 2009 in the City Hall Commission Chamber. The meeting was called to order by Chairman Harold Wills. Members of the Committee present were: Audit Professional Harold Wills, General Business members Jean Cherry and James Martens and Commissioner Bruce Wilkerson. Absent: Audit Professional Charles Hays and Ex-Officio member City Manager Kevin DeFebbo. Also present were Internal Auditor Deborah Jenkins and Assistant City Clerk Ashley Jackson. There was a quorum of the board present.

Approval of Minutes.

Chairman Wills announced that the first item of business was to approve the minutes of the July 6, 2009 regular meeting, which were mailed with the agenda to the members for their review prior to the meeting. Motion was made by Mr. Wilkerson and seconded by Mr. Martens to accept the minutes as written. The minutes were approved as written by unanimous vote.

Discuss 2009 BGPD Narcotics Burn.

Ms. Jenkins reported that the 2009 Bowling Green Police Department narcotics burn was completed. She and Evidence Custodian Naomi Matthews 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 September 18, 2009, Ms. Jenkins, Naomi Matthews, Bonnie Abney and Major Marieca Brown witnessed 1,080 units of narcotics related evidence being destructed at the Gallatin Steel Company in Ghent, Kentucky. The narcotics burn would be scheduled on an annual basis and it was confirmed that if another steel company was determined to be closer in proximity to Bowling Green, the Police Department would begin using that facility rather than the Gallatin Steel Company.

Discuss follow-up report on the Russell Sims Aquatic Center Audit.

The next item of discussion was the follow-up of the Russell Sims Aquatic Center audit. Ms. Jenkins reported that she visited the Russell Sims Aquatic Center at the end of the season for observation. The outcome of the follow-up was that some changes had been implemented based on the audit recommendations made in January 2009, however there were continued areas of concern that needed additional recommendations. The following were partially implemented: inventory and resale items should be properly accounted, prepared food at the concession stand should be discounted to customers at the end of the day and internal controls over cash handling. However, the additional cameras that were to be installed for increased security were not implemented due to budget constraints. Furthermore, a standardized group admissions procedure was fully implemented by pre-registering with the Parks administration prior to the event and large groups were issued pre-numbered entrance cards by Parks administration. Also, all customers were given wristbands upon entry as of July 2009. The wristbands helped prevent customers from entering the aquatic center without paying.

Ms. Jenkins made additional recommendations and those included the Russell Sims Aquatic Center management should improve the current locker rental location, style and fee structure. It was suggested to move the lockers to the main pool area rather than at the entrance of the men and women restrooms. Also, the style of the lockers should be changed to become user friendly and promote individuals to use the lockers, and reduce the amount of thefts. It was also suggested for Parks administration to disperse keys for lockers and citizens could either have unlimited usage throughout

the day or seasonally. Secondly, Ms. Jenkins additional recommendation was for the Russell Sims Aquatic Center management to work with the Police Department to establish attendance thresholds for additional monitoring at the aquatics center. After Ms. Jenkins reviewed the incident reports from the Police Department and discussed concerns with the aquatics staff, it was evident that Police needs to be on patrol during highly populated days in case situations arise that the staff cannot control. It was also proposed to train staff on how to deal with difficult situations shall they arise and police officers aren't present.

The Committee stressed its disappointment that the inventory issue had not been solved during the 2009 season even though the software had been set-up and could have been utilized. Ms. Jenkins emphasized that she made certain that administration understood the importance and expected to see it fully implemented next season.

Discuss follow-up report on the Section 8 Housing Choice Voucher Program Audit.

A follow-up of the Section 8 Housing Choice Voucher Program audit was also reported. Ms. Jenkins stated that the Housing Division was very responsive and had fully implemented two of the four recommendations, and had partially implemented the remaining two recommendations. The policy timing restrictions being consistently documented was partially implemented, landlord overpayment tracking and monitoring system development was fully implemented, segregation of duties in Housing Assistance Payment (HAP) was fully implemented and documentation and collection activities for administrative repayment agreements was to be strengthened and that was partially implemented. Ms. Jenkins was satisfied with the follow-up and the Board had no questions or comments.

Discuss Code Enforcement Process Audit.

The next item of discussion was to review the Code Enforcement Process Audit. Ms. Jenkins reported that the objective to this audit was to 1.) determine if current policy and procedure provide reasonable assurance that citations and their related fines were accurately accounted for and collected; 2.) ensure that the Code Enforcement Board obtained timely information and that their decisions were recorded and enforced appropriately and 3.) determine if actions were responsive to citizen complaints. The results determined that there were several areas in which the code enforcement process could improve.

A total of five recommendations were made and the first recommendation was for the Police Department to implement an accurate system to track and enforce parking citations. Ms. Jenkins said that after meeting with Police Chief Doug Hawkins, it was decided that the Police Department would be looking at outsourcing the responsibility of collecting citations to a third party. The audit recommendation was to issue handheld parking citation equipment for Police to utilize for issuing parking citations. The handheld devices are known to have the capability to take photos and could potentially update live to the City's financial system. Also, if the collection of citations were outsourced to a third party vendor, it would be recommended that a thorough evaluation be completed, with the input of Treasury's collection expertise, as to the potential vendor's processes and fees prior to signing a contract for collection services. Furthermore, it was also suggested to clarify throughout the organization exactly who would have authority to void citations and the specific reasons allowable for voiding.

The second recommendation was for City Central to require all appeals to be written in accordance with the City of Bowling Green Code of Ordinances and Kentucky Revised Statutes (KRS). The audit recommends that all requests should only be accepted by the Code Enforcement Board (CEB) Clerk in writing with an accurate responding date as well as the received date. The Blackbear software allows the attachment of documents to the official record and it would also be

recommended that City Central staff update their procedures to include scanning the written appeal request into the record which would electronically document the request for appeal. This would also allow Code Enforcement Officers to better prepare for the CEB meetings by having knowledge of what the citizen was actually appealing.

The third recommendation made by the Internal Auditor was to obtain a standardized and timely method of recording adjustments to fees should be created in order to ensure accurate amounts were charged and collected from citizens. The City is losing revenues because the fee amounts were not correctly recorded when approved. Also, when waived fees were not adjusted within the financial software, customers continue to receive invoices for fines waived by the CEB. The lien process would also be affected when decisions were not entered timely within the systems. The recommendation was for the CEB Clerk to use a standard follow-up process for all CEB meetings to ensure the following: all decisions were entered into Blackbear the following business day and submitted to Treasury within three business days of CEB meetings; the minutes reflected consistent and timely data to include dollar amounts for each decision whether upheld or waived; all record numbers to be included within the minutes; agendas and approved minutes to be posted on the City website in a timely manner and, any additional related follow-up work would need to be performed on a consistent and timely basis.

The fourth recommendation was for the Code Enforcement Board to require citizens to appear before the Board in order to hear their appeal in accordance with KRS and City Code. Ms. Jenkins reported that all citizens who wish to appeal their citation must appear before the CEB. If he/she were not able to attend the scheduled meeting due to extenuating circumstances, a representative such as a close family member, friend or attorney that is knowledgeable of the circumstances could appear on their behalf with their permission. If there was not someone whom the citizen violator wishes to send on their behalf, then the appeal could also be postponed to the next month's meeting. However, if someone wants to appeal their citation, but refuses to appear before the Board, then their appeal should not be considered and the citation should stand.

The fifth recommendation was that there should be follow-up procedures implemented that responds to complainants in order to inform the complainants of actions taken, if applicable, to remedy their complaint and increase citizen satisfaction. The audit proposes replacing the current contact card with a follow-up procedure that would give specific information to the complainant about their issues, inform them of the steps that City staff has taken, and reasons which prevent staff from acting on the complaint. It would be accomplished by redesigning the card to allow comments to be placed on it about the steps that staff has taken to look into the citizen's complaint and a timeline for correction if applicable. Also, if the card was replaced by a follow-up letter, it would allow for more detail to be provided to the citizen including information as to why their complaint could not be addressed whether from budget restrictions, current Code of Ordinances and KRS, or any other applicable reason for no action. The letter would need to be attached to the record electronically to further document the steps that City staff has taken in an effort to address citizen complaints. It would require the responding staff member to provide information to City Central so that a letter could be sent out in response to their inspection. Additionally, it would be highly recommended that Code Enforcement, Public Works and any other complaint responding department, should work with City Central to develop a method that would consistently provide the information to City Central so the follow-up letter could be sent out in a timely manner. Ms. Jenkins informed the Committee that a citizen satisfaction survey was sent to 157 citizens who had contacted City Central with a complaint and provided their contact information in which 67 completed responses were received by the internal audit. The survey results were good overall, as the City Central staff was consistently rated as excellent and good on being courteous, helpful and quickly taking citizen's information. The main complaint received from the survey was that citizens did not feel as if the situation was solved because there was either no follow-up or a delayed follow-up.

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Internal and External Audit Update.

Furthermore, Ms. Jenkins briefly reviewed the hours she spent auditing which included 68% direct audit hours and 32% indirect audit hours. She explained that her time was spent on special requests, training, administration and other various projects.

Ms. Jenkins indicated that a special call meeting of the Audit Committee would need to be scheduled in November or December in order to review and discuss the Comprehensive Annual Financial Report (CAFR).

The next audit was planned to be on the Police Department’s payroll.

The next quarterly meeting is scheduled at 3:30 p.m. on January 4, 2010.

Chairman Wills announced the next quarterly meeting date.

Adjournment.

There being no other business to be conducted, at 5:05 p.m. Chairman Wills declared the meeting adjourned.

Date Approved

Harold Wills, Chairman

Ashley Jackson, Assistant City Clerk