



December 21, 2015
Durham County Audit Oversight Committee Minutes

I. Call to order

The meeting was called to order at 3:30 PM in the Durham County Manager’s Conference Room; 200 East Main Street Durham, NC 27701.

II. Attendees

Present: Mr. Manuel Rojas, Chair; Mr. Arnold Gordon, Vice Chair; Commissioner Brenda Howerton; Commissioner Michael Page; Mr. Harrison Shannon, Member; Mr. Wendell Davis, County Manager.

Presenters: Mr. David English, Risk Manager
Mr. Greg Marrow, IT Director
April Adams, Cherry Bekaert

Others Present: George Quick, Financial Officer
Richard Edwards, Internal Auditor

III. Business

A. Approval of Prior Meeting Minutes

Mr. Arnold Gordon moved and Commissioner Howerton seconded the motion to approve minutes as read. Minutes were approved unanimously.

B. Overview the County Risk Management – David English, Risk Manager

Mr. David English briefed the Committee on Risk Management’s overall programs as well as the subrogation program. Mr. English pointed out that the Division was in the process of hiring a person to handle safety issues. He believes, safety and workman’s compensation is an area that has not been emphasized in the past. The intent of hiring a safety manager is to reduce the risk of accidents and enhance controls over incident reporting. That effort combined with the recent change to a new vendor to handle worker’s compensation administration is part of the strategy to improve administration of the safety and worker’s compensation program and result in savings.

As for subrogation, the risk manager indicated that the program was enhanced by the addition of a contractor to assist with claims processing. The advantages of the contract are that it provides services such as damage assessment and more focused collection activity than the Division can provide efficiently and economically. The fee for the service is 17% of the amount collected and costs of some administrative duties such as obtaining accident reports as required

C. IT Back-up and Recovery Follow-up – Mr. Greg Marrow, IT Director

During the September 21, 2015 meeting, Mr. Greg Marrow, briefed the committee on "back-up and recovery." At that meeting, Mr. Marrow was asked whether a site with sufficient bandwidth to offer access by Durham County Government has been selected where backup files would be installed. Mr. Marrow, said that the... "issue was under review and he expects to have answers in the near future." Mr. Rojas asked him to attend the December meeting and give a status report regarding data recovery. Mr. Marrow agreed to provide a status report.

Mr. Marrow updated the committee on the issue and generally stated that he was satisfied that storage was available. (The general tone of the discussion was that back-up and recovery is dynamic and that the IT department constantly attempts to stay up with the technology to assure data safety and security.) Mr. Marrow said IT will continue reviewing security controls.

C. Financial Audit Presentation – April Adams, Cherry Bekaert, Financial Auditors

The financial audit did not result in material findings. However, the single audit resulted in eight findings of deficiencies, none of which were material. Seven of those findings were in the Department of Social Services and one was in the Office of the Register of Deeds. The Register of Deeds deficiency was discovered by the Finance Department and corrected before the audit took place, however; because of past financial reporting, the auditor was made aware and the deficiency was reported as required by Government Audit Standards. The Social Services deficiencies were discovered during testing by the auditors. The department of social services indicated in the audit report that plans was in place to correct the deficiencies.

Mr. George Quick, Financial Officer, informed the committee that the internal auditor was aware of the deficiencies and had be asked to conduct a review to determine if the controls put in place by the Social Services Department were effective.

D. Committee Meeting Schedule

The committee considered the following dates for the meeting schedule for calendar year 2016:

- March 8
- June 14
- September 13
- December 13

The committee members did not come to an agreement on the meeting dates but agreed to put the proposed dates on their calendars.

E. Old and New Business

None

F. Next Meeting Date:

March 8, 2016, 3:30 P.M.

G. Adjournment

There being no further business, the meeting was adjourned at approximately 5:00 PM.