



**September 10, 2019**  
**Durham County Audit Oversight Committee Minutes**

**I. Call to order**

The meeting was called to order at 3:30 pm in the Admin II building, Room 466, located at 201 East Main Street, Durham, NC 27701.

**II. Members**

Present: Mr. Arnold Gordon, Chair; Mr. Manuel Rojas, Vice Chair; Dr. Nicole McCoy, Secretary; and Commissioner Heidi Carter

Absent: Commissioner James Hill (unexcused absence); Commissioner Wendy Jacobs (excused absence) and Mr. Wendell Davis (Ex-Officio), County Manager

Presenter: Darlana M. Moore, Internal Audit Director

Others Present: Omar Samaha, Internal Auditor; Gina Addicott, Internal Auditor Trainee

**III. Business**

**A. Prior Meeting Minutes – Mr. Arnold Gordon**

Mr. Gordon moved, and Commissioner Carter seconded, the motion to approve the minutes from June 25, 2019. The minutes were approved unanimously.

**B. Discuss of 2020 Annual Audit Plan-Ms. Darlana Moore**

Mr. Rojas asked about the status of the audit plan. Ms. Moore informed him that the Audit department has recently completed the Register of Deeds Audit and is in the process of redoing the Cash Audit. The Payroll Overtime Audit should begin sometime in November/December timeframe.

Mr. Rojas asked Ms. Moore how many staff was used in determining the current audit plan. Ms. Moore stated three. Mr. Rojas stated that the current audit plan was too aggressive. Mr. Gordon mentioned that the County is desperately short of auditors since Wake County has many more auditors per capita, and he believes the County is at risk. The County has increased the Attorney staff by five positions and Mr. Gordon firmly stated that "There are not any areas designed to mitigate risk more than Internal Audit; and they have less staff; are working hard; and three

people are not enough for a County of this size." Mr. Rojas acknowledged that the special investigations and the issue of being understaffed have taken time away from the auditors, and therefore are forcing the auditors to "cram" for the audit plan, or drop other audits. Commissioner Carter advised the AOC to send a letter to the Commissioners to address the lack of staff members in the Internal Audit Department, and to request additional resources to fill two more positions within the Internal Audit Department.

Total budgeted hours for the fiscal year 2019 were 5,625 based upon three full-time employees at 7.5 hours day each. The total hours for audits were 4,150, which is 74% of Plan. The administrative hours were 1,065 or 19% of plan. Ms. Moore asked for any suggestions to improve the plan. Mr. Rojas illustrated that out of a 7.5-hour working day, one would be working only for 6 hours. Mr. Gordon suggested Ms. Moore update the Audit Plan to demonstrate to the commissioners what could be done with the extra staff and additional risk could be mitigated, Mr. Gordon pointed out to Ms. Moore there should be an option B. There are additional areas Internal Audit could investigate, except for the fact that Ms. Moore does not have enough staff. Ms. Moore should outline the risks in writing to the commissioners and let them know the problems that exist within the Internal Audit Department.

Mr. Gordon stated, "The internal audit staff ratio is roughly 0.002 % staff to each County employee." Ms. Moore informed the AOC that the Audit Department has been given funding for a provisional position. Mr. Gordon stated that the Audit Department needs to expand the budget to six people permanently and include an IT expert to check for things that are beyond the regular auditors' capabilities. Mr. Rojas stated that he came from an IT background and realized the importance of this position to Internal Audit. Mr. Rojas further stated, "The additional IT person has to be IT 100% of the time, the IT person can also perform other things, but it would be waste of one's time if he/she did not participate in any IT matters, like IT meetings." Commissioner Heidi once again agreed with AOC members' concerns and suggested that a letter be sent to the Commissioners and the Manager. Mr. Rojas asked Ms. Moore to draft a resolution and email it to the AOC members for review.

Mr. Gordon moved a resolution that a letter be sent to the Board of County Commissioners requesting the addition of three full-time positions (of which one being an IT auditor) within the Internal Audit Department. Dr. McCoy seconded the motion, and the vote was unanimous. In addition, Mr. Rojas asked Ms. Moore to revise the Annual Audit Plan to include additional hours for current and future audits, additional administrative hours, and remove a few audits so that the plan can be accomplished. He mentioned that with all of the current investigations (that were not included within the plan) and additional issues emerging from each audit, the plan should be revised. This item will be added to the agenda for AOC approval at the next meeting on December 10, 2019 at 3:30pm.

### **C. Election of Officers**

Mr. Rojas discussed positions for Chair, Vice-Chair, and Secretary. Dr. McCoy moved the nomination of Mr. Rojas to be Chairman, effective as of September 10,

2019. Mr. Gordon second the motion, and the vote was unanimous. Dr. McCoy moved the nomination of for Mr. Gordon as the Vice-Chair. Commissioner Carter seconded the motion and the vote was unanimous. Lastly, Mr. Gordon nominated Dr. McCoy as the Secretary. Commissioner Carter seconded the motion and the vote was unanimous.

**D. New Business** - None.

**E. Old Business** -Closed Session

**MOTION TO ADJOURN INTO CLOSED SESSION PURSUANT TO N.C.G.S SECTION 143-318.11(6) TO CONSIDER THE QUALIFICATIONS, COMPETENCE, PERFORMANCE, CHARACTER, FITNESS, CONDITIONS OF APPOINTMENT, OR CONDITIONS OF INITIAL EMPLOYMENT OF AN INDIVIDUAL PUBLIC OFFICER OR EMPLOYEE OR PROSPECTIVE PUBLIC OFFICER OR EMPLOYEE; OR TO HEAR OR INVESTIGATE A COMPLAINT, CHARGE, OR GRIEVANCE BY OR AGAINST AN INDIVIDUAL PUBLIC OFFICER OR EMPLOYEE.**

**F. Next Meeting Date:**

December 10, 2019, 3:30 pm.

#### **IV. Adjournment**

There being no further business, the meeting was adjourned at approximately 4:54 PM.