

September 11, 2012
Audit Oversight Committee Minutes
Durham County

I. Call to order

The meeting was called to order at 3:36 p.m. in the County Manager's 2nd Floor Conference Room; 200 East Main Street, Durham, NC 27701.

II. Members

Present:

Manuel Rojas, Chair; William Pierce, Vice Chair; Harrison Shannon; Commissioner Reckhow; Commissioner Howerton

Others Attending:

E. Lee Worsley, Deputy County Manager representing Michael Ruffin
Perry Dixon, County IT Director, Presenter
Lowell Siler, County Attorney, Presenter
Richard Edwards, Internal Audit Director
Brian Welch, Internal Auditor

Excused Absences:

Commissioner Page
Michael Ruffin, County Manager

III. Business

A. Prior Meeting Minutes.

Mr. Shannon moved and Commissioner Howerton seconded the motion to approve minutes for the June 12, 2012 AOC meeting. The voice vote carried and the minutes were approved.

B. Use of social media and related devices within Durham County Government (Perry Dixon, IT Director)

Mr. Dixon discussed IT's role in managing the County's social media, which for discussion purposes, include associated tools such as smart phones and I Pads. Mr. Dixon's presentation was to provide an overview of security, privacy, and productivity risks associated with the increasing use of social media in Durham county Government. Mr. Dixon said the IT Department has the necessary tools to provide measures to the extent management deems necessary to mitigate risks but emphasized that cooperation between the individual departments and the IT Department is very important when pairing the needs for productivity with appropriate security permissions and privacy concerns. Mr. Dixon emphasized that departmental controls, i.e., policies and procedures and their enforcement efforts is key to managing privacy, security, and productivity issues associated with social media and tools.

Commissioner Reckhow was interested in what controls departments have in place...what policies and procedures? She asked the County Manager, via Mr. Worsley, to follow-up with the various departments to determine how they are managing social media technology at the departmental level.

Mr. Dixon said Assistant County Manager Debra Craig-Ray is in the process of drafting a social media policy for the County.

C. Legal matters which could financially impact the County (Lowell Siler, County Attorney)

Mr. Siler identified three cases which could affect the County they are:

1. On-going IBM litigation – This case has been to the NC Court of Appeals three times. A recent Appeals Court ruling sided with IBM. The County has retained outside counsel to assist in this case.
2. Impending litigation with Ms. Gerri Robinson, former DSS Director - motions have been filed, but no arguments have been made.
3. Potential litigation over the construction of the Human Services Complex - construction is approximately one year behind schedule. The County has contacted consultants to assist with this case going forward.

D. Election of AOC officers for FY2013

Commissioner Reckhow moved to reinstate the current officers. This was seconded by Mr. Shannon. The voice carried and the FY2012 AOC officers will remain effective for FY2013.

E. Enterprise Risk Assessment (William Pierce, Vice Chairman)

Mr. Pierce believes Enterprise Risk Assessment (ERA) would be a good method for the County to use to identify potential operational risks. He said an ERA allows organizations to determine where the greatest risks are located and what steps the organization or management can make to mitigate them. ERAs focus on risks of all types but primarily on financial and control risks.

The committee agreed upon the concept of risk assessment as a management tool with Mr. Worsley stating that considerable thought has to be given to the time, resources, and impact of the risk assessment. Commissioner Reckhow suggested that County Manager Ruffin address the Committee at its December meeting and present his views on the subject before the committee takes action.

F. Payroll audit (Richard Edwards, Audit Director)

Mr. Edwards stated the payroll audit indicated there is a potential for manual errors. Specifically, the instance where an employee was paid for sick leave while on

military duty was attributable to manual error. The automated system is designed to catch errors but in some and most instances, correct manual processes are required. The other issue found in this audit, delinquent performance evaluations, is being addressed by management. Mr. Edwards expects to report on progress at the December meeting.

G. Outstanding recommendations status report (Richard Edwards, Audit Director)

Mr. Edwards reported that the Sheriff's Office has hired the staff per the audit recommendation. The hired staff person is a former auditor from Greensboro. Mr. Worsley will speak to the Sheriff about the reporting structure of the new hire.

Commissioner Reckhow stated the new DSS director should be informed of the findings of the DSS audit report. Mr. Edwards stated he has forwarded a copy of the audit report to the new DSS director. Additionally, he and Deputy County Manager Marqueta Welton will be in communication with the new director.

H. Old and New Business

Mr. Shannon proposed that AOC members have a forum regarding AOC business outside of the scheduled AOC meetings. Mr. Pierce moved and Mr. Shannon seconded the motion to go forward with planning a meeting among the AOC members.

I. Next Meeting Date: December 11, 2012 @ 3:30 p.m.

IV. Adjournment

There being no further business, the meeting was adjourned at approximately 5:18 p.m.