



March 8, 2016
Durham County Audit Oversight Committee Minutes

I. Call to order

The meeting was called to order at 3:34 PM in the Durham County Manager's Conference Room; 200 East Main Street, Durham, NC 27701

II. Members

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

Absent: Commissioner Brenda Howerton

Presenters: Mr. Wendell Davis, County Manager

Others Present: Richard Edwards, Internal Auditor
Paul Mason, Internal Auditor
Kierra Simmons, Internal Auditor

III. Business

A. Prior Meeting Minutes

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

B. Managing For Results (MFR) Briefing – Wendell Davis, County Manager

Mr. Davis, the County Manager, briefed the Committee on the Managing for Results model that he has adopted for County operations. That model is designed to promote a more efficient and effectively run government. Mr. Davis emphasized that the model includes four components, strategic planning, budgeting, managing, and learning and evaluation.

Mr. Rojas asked Mr. Davis about the role of the Audit Oversight Committee and Internal Audit in this process. Mr. Davis said the Audit Committee and Internal Audit would continue to be involved just as they are now. He said he envisions Internal Audit will conduct investigations regarding data accuracy and

benchmarking. Mr. Davis said he was willing to have future meeting with the Audit Committee as necessary to discuss its role.

Mr. Arnold Gordon had three points of concern. He wanted to ensure that there were baselines to measure the plan's progress; that the accomplishments would be measured frequently; and that there were quantitative and qualitative targets. Mr. Davis informed Mr. Gordon that the baselines would be measured from data collected after the first year of plan implementation. Furthermore Mr. Davis stated that the accomplishments would be measured quarterly. Mr. Davis said quantitative and qualitative targets were still in the developmental stages and would be completed in conjunction with the general managers, consultants, and department leaders.

Mr. Gordon also asked Mr. Davis if implementing the new model was "growing the government." Mr. Davis stated that the County had long focused on capital project related expenditures but had neglected the operations side. In summarization, Mr. Davis said he was paying more attention to the operations side because sufficient employees with sufficient skills are the key to efficient and effective operations.

Mr. Gordon also said he believed the audit staff was too small (a staff of three). Mr. Davis said he anticipated growth in the audit department as appropriate.

C. Discussion of Risk Management Subrogation Audit Report – Richard Edwards, Internal Auditor

Mr. Richard Edwards briefed the Committee on Risk Management's program and subrogation process. Mr. Davis informed the Committee that Risk Management has hired David English as County's new Risk Manager who has hired a safety officer. The team will mitigate the County's risk exposure and reduce the potential for accidents and other negative incidents.

Mr. Shannon asked how the Office of the Sheriff responded to the recommendations about adhering to the County's Policies. Mr. Edwards stated that in discussions with the Sheriff and the Chief Deputy he had been told they would be willing to work with Risk Management but wanted policies that would make good sense.

D. Fiscal Year 2016 Calendar discussion – Manuel Rojas, Committee Chairperson

Mr. Manuel Rojas commented that at the next Audit Oversight Committee Meeting, on June 14, 2016, election and selection of new officers will be held for FY 2016 – 2017.

E. Old and New Business

None.

F. Next Meeting Date:

June 14, 2016, 3:30 P.M.

IV. Adjournment

There being no further business, the meeting was adjourned at approximately 4:57 PM.