

**March 18, 2014**  
**Audit Oversight Committee Minutes**  
**Durham County**

**I. Call to order**

The meeting was called to order at 3:32 p.m. in the Durham County Manager's Conference Room; 200 East Main Street Durham, NC 27701.

**II. Members**

Present: Harrison Shannon, Chair; Commissioner Howerton, Vice-Chair; Manuel Rojas, Member; Interim County Manager Lee Worsley

Others Attending:

Greg Marrow, Chief Information Officer  
Craig Umstead, City of Durham Senior Internal Auditor, acting for Germaine Brewington  
Richard Edwards, Internal Audit Director  
Melanie Burke, Senior Internal Auditor  
Brian Welch, Internal Auditor

Excused Absences:

Commissioner Page, Member  
Germaine Brewington, Secretary

**III. Business**

**A. Prior Meeting Minutes.**

Commissioner Howerton moved and Mr. Rojas seconded the motion to approve the December 10, 2013 AOC meeting minutes. The voice vote carried and the minutes were approved.

**B. IT Risk Assessment (Greg Marrow, Chief Information Officer and Melanie Burke, Senior Internal Auditor)**

The Internal Audit Department compiled an IT risk survey comprised of 20 questions based on IT best practices and presented these questions to the Information Services and Technology Department for a response.

From the survey, three areas of risk were identified:

1. The County does not have a formal disaster recovery plan.
2. The County does not have specific measures to address mobile/portable devices and the public and business networks are on the same circuit.
3. The County does not currently have a method for accounting for all software inventories.

Ms. Burke, Senior Auditor, held discussions with Mr. Marrow, the County CIO, to discuss the results of the survey and the associated responses. Mr. Marrow stated that his department is working on plans to address each of the risks identified in the survey. His department is in the drafting phase of a disaster recovery plan and a mobile/portable device policy, a second circuit

for the County's network is in the budget for FY 2014, and an inventory system by Microsoft will be implemented later this year, along with accompanying policies.

**C. Revision to the FY2014 Audit Plan ( Richard Edwards Audit Director)**

Mr. Edwards asked the Committee to postpone the planned audit work in IT until after Mr. Marrow has had the opportunity to implement his plan, given the brevity of his tenure with the County. Additionally, Mr. Edwards would like to remove the Youth Home audit from the audit plan because the Department has just been audited by the State. He suggested that the County-wide risk assessment being completed by Brian Welch be added to the audit plan. The Committee agreed with the revisions. Mr. Edwards will make revisions to the FY2014 Audit Plan and provide a draft of the revisions to the Committee for approval.

**D. Recommendation Status Report –Vehicle Repair Contract Audit (Richard Edwards, Audit Director)**

There are no open recommendations. Mr. Edwards told the Committee that General Services is implementing the recommendations from the Vehicle Repair Contract audit. General Services currently has staff responsible for fleet management and they will provide oversight for the County over vehicle maintenance. The person will be responsible for reviewing invoices and ensuring services are in compliance with the contract prior to payment issuance.

**E. Status of County-wide Risk Assessment (Brian Welch, Internal Auditor)**

The County-wide risk assessment is intended to provide management with an overview of the risks associated with the operations within the County's departments. Mr. Welch stated that he has completed approximately 2/3 of the departments and plans to have the assessment finished by mid-April. At the end of the assessment, a report of the various departments, objectives and their respective risks will be derived and presented to management. Mr. Edwards stated that the Audit Department is only being used as an aid to the departments to help them identify their risks and objectives and noted the risks are not being defined by the Audit Department.

**F. Old Business**

Mr. Shannon and the Committee will allocate 30 minutes of the next Committee meeting to discussion of the Audit Committee Self-Evaluation. He asked Mr. Edwards to provide a copy of the Self-Evaluation to the Committee members. The Committee members are tasked with providing responses to the questionnaire prior to the next meeting.

**G. New Business**

Due to scheduling conflicts, the Committee tentatively decided to change the time of their next meeting from 3:30 p.m. on June 10, 2014, to 10:00 a.m. of the same day.

**G. Next Meeting Date: June 10, 2014 @ 10:00 a.m.**

**IV. Adjournment**

There being no further business, the meeting was adjourned at approximately 5:04 p.m.