

Internal Audit Commission
Meeting Minutes
July 15, 2020
2:00 p.m.

Attending Members: Kyle J. Bergquist, Internal Audit Commission Member
Bruce Rubenstein, Internal Audit Commission Member
Edmund M. See, Chairman, Internal Audit Commission
Craig S. Trujillo, Chief Auditor and Secretary to the Internal Audit Commission

Guests: Nader Abu Rabei, NBC CT Photographer
Anne Goshdigian, Hartford Resident
Leslie Hammond, Hartford Resident
Suzanne Johnson, Hartford Resident
Joanna Lovino, Hartford Resident
Lori Mizerak, Corporation Counsel
Dominique Moody, Hartford Resident
Barbara Turner, Hartford Resident

Remote participation by the public was also provided by conference except during the executive session.

The meeting was held in the Mayor's Green Conference Room at 550 Main Street, Hartford, CT. The topics of discussion, for the most part, followed the items on the agenda, which was prepared jointly by the Chief Audit Executive (CAE) and the Internal Audit Commission (IAC) members and filed with the Town and City Clerk prior to the meeting.

1. The meeting was called to order by IAC Chairman Mr. See at 2:00 PM EST.
2. Mr. See took roll call. The individuals in attendance are noted above.
3. The minutes from the February 2020 IAC meeting and the July 1, 2020 special meeting were deemed to represent the proceedings. A motion to accept the minutes was made, seconded and unanimously approved.
4. Under special reviews and investigations, Mr. See explained the process of special reviews and investigations received by the Chief Auditor, including preliminary work done by the Chief Auditor and the voting process to perform the special review or not. He noted that any information provided to make the decision on whether to proceed with a full investigation was only preliminary, and final findings and conclusions must await the completion of the full investigation. C. Trujillo presented his preliminary work findings on the Police Chief investigation and recommended to proceed with a full investigation. After lengthy discussion, IAC member Rubenstein noted that this investigation falls under the purview of the Internal Audit Commission and that not all information has been made public in the media. A motion to vote to proceed with a full investigation was made, seconded and unanimously approved.
5. The Internal Audit Department Activity Reports for the months of February, March, April, May & June 2020 were discussed. IAC member Bergquist asked about AutoAudit software and how it's working out for the department. C. Trujillo mentioned that the staff all have access with the software from home, but full usage of the software has yet to be achieved to date. Mr. See then asked about City Council questions on the budget from the May Activity Report. C. Trujillo noted they had questions about the ballpark and the staffing. Mr. Rubenstein then noted that the ballpark is costing the City anywhere between \$3M-\$5M as a result of DoNo not currently being developed as promised. C. Trujillo pointed out that the revenue bonds associated with the cost of the ballpark were not assumed by the state and the City is wholly responsible for the debt obligation.

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6. Audit reports issued since the February 2020 IAC meeting were discussed:
 - a) Hartford Public Schools (HPS) Payroll Accounts and Operations (Report 2012) – Mr. See asked about the number of transactions that were not available for us to review. C. Trujillo noted there are personnel issues within HPS, but there was no reason to believe that anyone was being overpaid.
 - b) HPS Special Fund Grant Healthcare Reimbursements (Report 2013) – There were no questions pertaining to this report.
 - c) City of Hartford and HPS Mortality Audit (Report 2014) – C. Trujillo noted we do this audit annually and we normally find retirees that need to be removed from the pension and/or healthcare records. Pension Administration Unit takes immediate action to recoup pension overpayments.
 - d) City of Hartford Finance Department Master Vendor File (Report 2015) – There were no questions pertaining to this report.
 - e) City of Hartford and HPS Healthcare Dependent Eligibility Follow-up (Reports 2101 & 2102) – C. Trujillo noted that these audits were relatively clean as a result of performing the Secova audits in the previous year. C. Trujillo also noted that Cigna claims are being retracted wherever possible. C. Trujillo also noted that the City wants to take over the task of searching for ex-spouses on their own. Mr. Rubenstein recommended that Internal Audit keep performing this audit due to the amounts paid on behalf of ineligible ex-spouses that have been identified in our audits. Mr. Rubenstein also requested a status update relating to the demand letter sent out to the HPS teacher that had incurred \$700,000 in healthcare costs for her ex-spouse. L. Mizerak noted that a demand letter was sent to her before COVID, but nothing has been done since the pandemic started.
7. C. Trujillo noted the following audits are in-progress or just beginning: Treasurer’s Office Wire Transfers; Public Works Utilities; MHIS Computers, Cell Phones & iPads Cost; and Hartford Parking Authority Parking Citations & Adjudication.
8. C. Trujillo noted he has two FY’2020 audits that are being finalized and are expected to be issued in the near future. C. Trujillo noted that the Audit Plan of 20 reports would have been met if not for the COVID pandemic. Their audits were or will be brought forward into FY’2021 as fieldwork was wrapped up in July.
9. C. Trujillo noted no new update pertaining to audit recommendation follow-up as City management has not been available for us to follow up on old recommendations. It is expected that this will pick back up when the COVID pandemic is over.
10. Mr. See asked about audits that have not been completed from the FY’2020 Audit Plan. C. Trujillo noted that the higher risk audits will be included in the FY’2021 Audit Plan.
11. Mr. See brought up discussion of the FY’2021 Audit Plan. Mr. See brought up the Chief Auditor’s initial Audit Plan draft that was distributed via email. Mr. See brought up the HIPAA audits not being on the FY’2021 Audit Plan. C. Trujillo noted that he was in agreement with the Deputy that these audits should wait until formal training has been attended by the entire audit team. Mr. See also brought up School Construction Contracts not being on the Audit Plan. Discussion ensued on the topic. It was agreed that Internal Audit should be looking at how money is being fronted for school construction costs and what is being done to recoup the amount in retainage (i.e. 5%). Mr. Bergquist then brought up maybe including this as an audit for FY’2021, along with re-categorizing what is an actual audit report versus what is a review that we do more frequently that does not involve as much time as an audit. C. Trujillo agreed that we could make changes to our continuous auditing projects versus actual audits that are being performed more on a risk-based/rotational basis.

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12. There was no major discussion under old/new business.
13. A motion was made, seconded and unanimously approved to go into executive session at 3:30 PM to discuss performance review update of the chief auditor. Executive session ended at 3:45 PM. No votes were taken in the executive session.
14. The next IAC meeting is scheduled for September 16, 2020 at 2:00PM EST in the IAD conference room # 304. The meeting was adjourned at 3:51 PM. after a motion made by Mr. Rubenstein, seconded and unanimously approved.

Respectfully submitted by Craig S. Trujillo – Chief Auditor and Secretary to the Internal Audit Commission, City of Hartford