

**Internal Audit Commission
Meeting Minutes
September 19, 2018
2:00 p.m.**

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

Absent Members: Bruce Rubenstein, Internal Audit Commission Member

Guests: Garrett Allison, NBC CT Camera Man
Joe Caruso, Deputy Chief Auditor
Lori Mizerak, Asst. Corporation Counsel

The meeting was held in the Internal Audit Conference Room #304 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 Auditor and the Internal Audit Commission (IAC) members and filed with the Town and City Clerk prior to the meeting. Items discussed were as follows:

1. The meeting was called to order by IAC Chairman Bergquist at 2:00 p.m.
2. K. Bergquist took roll call. The individuals in attendance are noted above.
3. The minutes from the July 2018 IAC meeting were deemed to represent the proceedings. IAC member See made a motion to accept the minutes, seconded by IAC member Bergquist and unanimously approved.
4. The Internal Audit Department (IAD) Activity Report for the combined months of July and August 2018 was noted. IAC member See asked us about the meeting with BlumShapiro and C. Trujillo noted the meeting was for a fraud questionnaire that they were doing with all of department heads.
5. There was a review and discussion of audit report and special reviews issued since the June 2018 IAC meeting.
 - a. City of Hartford Department of Development Services Special Event Fee Billing and Collection Audit Report 1820 – C. Trujillo noted amounts for these events are small and segregation of duties could be improved.
 - b. Hartford Public Schools (HPS) P-Card Program Usage Audit Report 1901 – J. Caruso noted that HPS uses the P-Card sparingly due to many constraints placed on their employees by the former CFO. IAC member See asked about the application process and J. Caruso informed him that we could not locate many of the original P-card applications. J. Caruso informed that the new HPS CFO implemented a new process where they approve all P-card applications and feels the process is now improved as a result.

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- c. Hartford Public Library (HPL) P-Card Program Usage Audit Report 1902 – J. Caruso noted that HPL had some purchases outside of regular working hours, but these purchases were deemed appropriate and were related to grant money. HPL management informed IAD that these were allowable purchases for the programs they were being used for. HPL management agreed to include a copy of the program flier with the itemized receipt to show which program the purchase is associated with.
 - d. Hartford Public Schools Office of Operations Facility Rental Revenue Audit Report 1903 – J. Caruso informed the IAC that HPS has collected all amounts due by the Greater Hartford Pro-Am (GHPA) outside of the promissory note which has two remaining annual payments of \$10,000. J. Caruso also noted that HPS is still billing manually, instead of utilizing MUNIS. HPS management has started the process of training the staff person to bill from MUNIS and set up customer accounts to apply all payments directly to a customer receivable. J. Caruso also noted that the GHPA application for 2018 was co-signed by a nonprofit entity to obtain the lower facility rental rates. The concern with doing this is it's now understood that the nonprofit entity will be responsible for payment if GHPA defaults. HPS management informed the nonprofit entity and its clearly understood they will be ultimately responsible for payment to HPS.
6. J. Caruso noted the following audits are in-process and close to completion: City P-Card; HPA On-Street Meter Revenue; Hartford Police Department Grants Administration. J. Caruso expects these reports to be discussed at our next meeting. In addition, IAD is working on the following: Treasurer's Office Custody of Funds; Department of Public Works Waste, Recycling and Tipping Fees; and HPS Healthcare Dependent Eligibility Follow-Up.
 7. C. Trujillo noted that the City hired Secova, Inc. to perform its healthcare dependent eligibility verification audit. C. Trujillo noted that everything appears to be going well thus far; however, it's expected that similar issues will arise such as ones that are going on with HPS.
 8. C. Trujillo informed the IAC that an investigation is still ongoing in regards to a DPW employee who allegedly provided unworked overtime hours to staff. In addition, he noted that a City employee had suggested that IAD look into the CVS Caremark program to investigate whether kickbacks are being given to employees for prescriptions as was reported in the news relating to CT employees. J. Caruso informed the IAC that the Treasurer has concerns with some pay codes set up by the former HPS CFO in regards to her pension calculation. Details and a formal special review request will be forthcoming.
 9. C. Trujillo informed the IAC that the current Chief of Staff, Thea Montanez, was appointed by the Mayor as Interim Chief Operating Officer.
 10. K. Bergquist noted a meeting has been set up with the Hartford Metro Alliance for September 25, 2018 for formal introductions with the new President & CEO David Griggs and Julio Concepcion, former Hartford City Council member.
 11. C. Trujillo noted CPE trainings are upcoming for Internal Audit staff in October, including himself, at the Insurance Internal Audit Group and the Connecticut Society of Governmental Accounts.

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12. C. Trujillo noted there was nothing new to discuss under old/new business.
13. It was noted that the next IAC meeting was scheduled for October 17, 2018 at 2:00 p.m. in the IAD conference room # 304 and this meeting was adjourned at 3:09 p.m. after a motion made by IAC member Bergquist, seconded by IAC member See and being unanimously approved.

Respectfully submitted by Craig S. Trujillo – Chief Auditor, City of Hartford