

**Internal Audit Commission
Meeting Minutes
November 20, 2019
2:00 p.m.**

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

Guests: Joe Caruso, Deputy Chief Auditor
Sabina Kuriakose, WTNH News Reporter
Rebecca Lurye, Hartford Courant Reporter

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 2:01PM.
2. K. Bergquist took roll call. The individuals in attendance are noted above.
3. The minutes from the October 2019 IAC meeting were deemed to represent the proceedings. IAC member See made a motion to accept the minutes, seconded by IAC member Rubenstein and unanimously approved.
4. The Internal Audit Department (IAD) Activity Report for the month of October 2019 was noted. No discussion ensued.
5. There was a review and discussion of audit reports issued since the October 2019 IAC meeting:
 - a. City of Hartford Department of Management, Budget & Grants Grant Administration Operations Audit Report 2005 – J. Caruso noted centralized procedures are in place; however, procedures to administer and account for each grant at the City department level were not documented. J. Caruso also noted that one of the grants were being maintained on an employee's hard drive, rather than backed up on the City cloud or a network drive.
 - b. City of Hartford Department of Human Resources Employee Healthcare Contributions Operations Audit Report 2006 – J. Caruso noted that the Benefits Administrator was receiving the manual COBRA checks and the Finance Department Accountant was receiving the State of CT checks for pensioners on CMERS who contribute directly to the state, both of which presented an inadequate segregation of duties. J. Caruso noted the Benefits Administrator took immediate action to have these checks mailed directly to the Revenue Manager. J. Caruso also noted that MUNIS was miscoded for employees paid monthly and had 2 biweekly healthcare

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deductions taken out rather than the monthly rate, which resulted in a de minimis understatement for each monthly employee.

6. J. Caruso noted the following audits in-process: Department of Health & Human Services Revenue and Medicaid Reimbursement Accounts and Operations; Harford Public Schools Payroll Accounts and Operations; and Hartford Public Schools Employee Healthcare Contribution Operations. J. Caruso also noted that the Corporation Counsel Settlement Expense Outside Attorney Fees and Revenue Operations audit will be announced shortly.
7. There was no discussion of special review requests as all requests received have been completed and IAD has received no recent requests.
8. J. Caruso noted that progress continues to be made on following up on audit recommendations. J. Caruso informed the IAC that he's created another column within the audit recommendation tracking sheet to add audits that are expected to be performed in FY'2021. This will be discussed with C. Trujillo further when IAD begins development of the FY'2021 Audit Plan. J. Caruso also noted that issues from three audits from FY'2014 & FY'2015 will be addressed when we perform subsequent audits later this fiscal year.
9. J. Caruso informed the IAC that we received funding for the AutoAudit software and a purchase order was created and sent to Refinitiv. J. Caruso is awaiting an email from Refinitiv containing the link to download the software on each IAD employee computers.
10. IAC member Rubenstein asked about the status of healthcare fraud claims recovery. C. Trujillo noted that a demand letter has been drafted by Corporation Counsel and is expected to be sent to HPS soon. It is expected that two former HPS employees would be receiving demand letters. C. Trujillo noted that the City will not send out demand letters until Cigna completes the process of recovering claims incurred by ineligible dependents. Once all efforts are exhausted, demand letters will be sent to those employees/retirees for claims haven't been fully recouped by Cigna.
11. A motion was made by IAC member Rubenstein to nominate IAC member See to be the next IAC Chairman for a two-year term commencing January 2020. IAC Chairman Bergquist seconded the motion and the vote passed 2-0, with IAC member See abstaining from the vote.
12. Under new business, IAC member Rubenstein asked about the collection status of the Greater Hartford Pro-Am (GHPA) promissory note. C. Trujillo noted he did not know what collection efforts were being made by Hartford Public Schools (HPS) or Corporation Counsel. C. Trujillo noted GHPA owed Corporation Counsel \$20,000 on the note (\$10,000 was due July 2019 and \$10,000 due July 2020) and another ~\$40,000 to HPS for usage of the gym during the August 2018 season. IAC member Rubenstein requested that C. Trujillo or J. Caruso reach out to HPS to refer the \$40,000 over to Corporation Counsel for further collection efforts. C. Trujillo agreed to make the request.
13. The next IAC meeting is scheduled for December 18, 2019 at 2:00PM. in the IAD conference room # 304. The meeting was adjourned at 2:46PM. after a motion made by IAC member Rubenstein, seconded by IAC member See and unanimously approved.

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