

**Internal Audit Commission  
Meeting Minutes  
February 21, 2018  
3:00 p.m.**

Members: Kyle J. Bergquist, Chairman, Internal Audit Commission  
Bruce D. 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  
Lori Mizerak, Assistant Corporation Counsel

The meeting was held in the Chief Auditor's Office at 260 Constitution Plaza, 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 in more detail and those requiring follow-up were as follows:

1. The meeting was called to order by IAC Chairman Bergquist at 3:00 p.m.
2. K. Bergquist took roll call. The individuals in attendance are noted above.
3. The minutes from the January IAC meeting, which were previously prepared and reviewed, were deemed to fairly represent the proceedings. IAC member Rubenstein made a motion to accept the minutes as previously reviewed, which was seconded by IAC member See and unanimously approved.
4. The Internal Audit Department (IAD) Activity Report for the month of January noted. It was noted that C. Trujillo had a conversation with the newly appointed Interim Chief Operating Officer. It was also noted that a special review request was made in regards to a current Assessor employee making assessment changes to his own City properties in AssessPro. To date, Internal Audit has done some preliminary work, but has not concluded as to what the next steps are. C. Trujillo would like to have a conversation with the employee to discuss the reasons for making these changes before deciding whether to accept the special review request.
5. A discussion of the residency requirement compliance affidavits ensued. C. Trujillo noted that this is in-process and hopes to receive all affidavits before the next IAC meeting.
6. J. Caruso informed the IAC that the currently vacancy for the open Auditor position was ongoing and two prospective candidates have emerged. It was noted that the job posting is set to expire on February 27<sup>th</sup> and interviews will be set up shortly thereafter.
7. C. Trujillo informed the IAC that the department is scheduled to move into its new offices in City Hall at the end of the month.

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3:00 p.m.**

8. C. Trujillo informed the IAC that Internal Audit's FY'2019 budget was completed with a zero percent increase request and sent to Management and Budget. It was noted by Management and Budget that Internal Audit was the first department to submit its FY'2019 budget.
9. IAC Chairman Bergquist requested an update from IAC member See on the following special project and review:
10. There was a review and discussion of audit reports and special project and review memorandums issued since the January IAC meeting.
  - a. Follow-up on the Legal Opinion from the Treasurer's Office regarding whether the Municipal Employees' Retirement Fund and Operations are subject to Audit by the Internal Audit Commission/Department – C. Trujillo had reported that he spoken with H. Rifkin and as of today there was no change to his opinion from his initial opinion in regards to Internal Audit auditing the MERF. However, he also noted that he is still looking at it and considering the points raised by IAC member See. IAC member See noted that he would like to obtain a copy of the independent auditor's report that A. Cloud had stated would be doing the audit. Once received by Internal Audit, a decision would be made then as to whether to keep this item on the IAC agenda.
  - b. City of Hartford Finance Department Assessor's Office Personal Property Accounts and Operations Audit Report 1812 – J. Caruso provided a summary of the Assessor's Office current operations. J. Caruso noted that personal property assessment is derived from a paper-based self-reporting process. In addition, it was noted that the Assessor's Office is currently understaffed and no personal property tax audits have been performed for at least two years. J. Caruso noted this presents a high risk of under-reporting by businesses and the City could potentially be losing significant revenue as a result. In addition, many businesses currently receiving an assessment due to non-reporting of its personal property bill are no longer operating business in the City. This generates a false tax bill, thus overstating the City's receivables. J. Caruso concluded that the Assessor's Office is best served changing to a web-based reporting requirement and hiring more Assessment Technicians to perform personal property assessment audits to ensure complete and accurate reporting of City business personal property.
11. A discussion of a received audit questionnaire submitted by Hartford Public Schools was noted.
12. Under new business, a brief discussion in regards to an anonymous resident making a request to look into a residency issue relating to the Hartford Democratic Town Committee. B. Rubenstein stated that a court verdict was made earlier in the day stating that there was no residency issue and he considered the matter closed.
13. It was noted that the next IAC meeting was scheduled for March 21, 2018 at 3:00 p.m. and the meeting was adjourned at approximately 4:15 p.m. after a motion made by IAC member Rubenstein, seconded by IAC member See and being unanimously approved.

**Respectfully submitted by Craig S. Trujillo – Chief Auditor, City of Hartford on 3/1/2018**