



September 12, 2017
Durham County Audit Oversight Committee Minutes

I. Call to order

The meeting was called to order at 3:38 PM in the Durham County Manager's Conference Room located at 200 East Main Street, Durham, NC 27701.

II. Members

Present: Mr. Manuel Rojas, Chair; Mr. Arnold Gordon, Vice Chair; Commissioner Wendy Jacobs; and Mr. Wendell Davis, County Manager (Ex- Officio).

Absent: Mr. Harrison Shannon, Secretary; Commissioner James Hill, and Commissioner Heidi Carter (Alternate).

Presenters: Greg Marrow, IS&T Director and Kierra Simmons, Interim Internal Audit Director

Others Present: Claudia Hager, General Manager

III. Business

A. Prior Meeting Minutes

Mr. Arnold Gordon moved and Commissioner Wendy Jacobs seconded the motion to approve the minutes. The minutes were approved unanimously.

B. Election of 2018 Officers - Mr. Manuel Rojas

Mr. Rojas explained to the Committee that the AOC Bi-Laws state that committee members cannot hold a position for more than two consecutive terms/years. Therefore, Mr. Rojas nominated Arnold Gordon as Chair, Harrison Shannon as Vice Chair, and James Hill as Secretary. Commissioner Wendy Jacobs seconded the nominations. Mr. Davis thanked Mr. Rojas for his 10 years of service on the Audit Oversight Committee.

C. Discussion regarding the replacement of Internal Audit Director-

Wendell Davis

Wendell informed the Committee that there have been two rounds of searches for a new Internal Audit Director. In the first round, a candidate was selected and offered the position; however, the candidate turned the offer down because the candidate received another offer. In the second round, they found another candidate. This candidate has over 20 years of experience at a local government level and has accepted this offer. Therefore, a replacement is soon to come.

D. IS&T Risk Assessment- Greg Marrow

Ms. Simmons explained that Internal Audit developed a risk assessment that contained 30 threats associated with mobile device usage. IS&T rated most of the risks as low and relied heavily on controls such as the mobile device policy and the new mobile device management system. Mr. Gordon questioned whether the policy was currently in effect and Mr. Marrow explained that the policy is a draft policy awaiting the signature of the County Manager.

Mr. Gordon asked how the new mobile device management system worked. Mr. Marrow explained that the system will use a firewall to separate any County application used on the device. This gives the County the ability to erase County data off the device when the employee separates from the County.

Mr. Rojas wanted to know if there was a risk associated with allowing people to use their personal devices for County business. Mr. Davis explained that current laws require individuals to give up their devices if they are conducting public business on it; therefore, the risk has decreased.

Mr. Gordon questioned the status of the training that was mentioned in threat #3 (i.e., insufficient employee training and education about mobile device security risks) of the IS&T risk assessment. Mr. Marrow explained that the training would take place during cybersecurity month in October 2017.

Mr. Gordon asked whether the Board of Elections was running on County servers and Mr. Marrow informed him that the Board runs on the State's systems.

E. Identification Badge Controls- Kierra Simmons

Kierra Simmons explained to the Committee that there were three areas of concerns found in the course of the identification badge controls audit. Those concerns were 1) departments that could not provide proof of retrieval and destruction of identification badges; 2) badges not being timely deactivated; and 3) employees having multiple badges.

Mr. Gordon asked management what its response is to these issues and Mr. Davis explained that management agrees with the findings and has begun implementing the recommendations to address these concerns.

Mr. Rojas recommended that HR be the hub to ensure that badges are returned. He believes that HR should not process an employee until the badge has been returned. He also suggested that the return of the badge should be tied to an employee receiving his or her last paycheck after separation. Ms. Hager explained that the responsibility is currently with the security division; however, management is still working out the details of the controls it plans to implement to ensure that the risks are addressed and minimized. Additionally, she explained that management intends to run exception reports periodically to allow a comparison between badges and employees on payroll. Mr. Rojas also suggested that the information security officer be a part of this process.

F. Old Business

None.

G. New Business

Commissioner Jacobs was interested in Internal Audit adding an audit of the Register of Deeds to the audit plan. Ms. Simmons informed the Committee that the Audit department had some discussions about auditing Register of Deeds and does intend to review the department along with other cash handling programs throughout the County.

Mr. Davis thanked Ms. Simmons for the great job she has done while serving as the Interim Director. Mr. Davis announced to the Committee that Ms. Simmons will be leaving the Internal Audit department because she has accepted an offer in Durham County's Attorney's office. The Committee thanked Ms. Simmons for serving as Interim.

H. Next Meeting Date:

December 12, 2017, 3:30 P.M.

IV. Adjournment

There being no further business, the meeting was adjourned at approximately 4:43 PM.