

CITY OF SANTA MONICA
AUDIT SUBCOMMITTEE MEETING
MINUTES

TUESDAY, NOVEMBER 17, 2020

A regular meeting of the Santa Monica Audit Subcommittee was called to order by Chair Himmelrich, at 6:02 p.m., on Tuesday, November 17, 2020, via teleconference pursuant to the Governor's Executive Order N-29-20 at <https://primetime.bluejeans.com/a2m/live-event/fqapxxbh>.

Roll Call: Present: Committee Member Ted Winterer
Committee Member Natalya Zernitskaya
Vice Chair Elizabeth Van Denburgh
Chair Sue Himmelrich

Also Present: Director of Finance Gigi Decavalles-Hughes
Interim City Manager Lane Dilg
Deputy City Attorney Ben Delfin
Assistant City Clerk Nikima S. Newsome

CONVENE On order of Chair, the Audit Subcommittee convened at 6:02 p.m., with all members present except Committee Member O'Day.

PUBLIC INPUT **2. Public Comment (Public comment is permitted on items not on the agenda that are within the subject matter jurisdiction of the body),** was presented.

There were no members of the public present to speak.

ETHICS HOTLINE **3. Ethics Hotline Update,** (Lori Gentiles, Chief People Officer) was presented.

There were no members of the public present to speak.

Since December there have been 4 new complaints made to the ethics hotline, two of which are duplicates, making for a total of 16 complaints received in the past rolling 12-month period. Of these complaints, six concerned a conflict of interest, three were classified as other as they do not fit into any of the enumerated categories, one pertained to unfair competition, one was regarding accounting/internal controls, one pertained to substance abuse/FMLA, one concerned a breach of confidentiality and three complaints concerned issues of discrimination/harassment/violence.

Question asked and answered of staff was whether or not the calls are known or anonymous.

Motion by Chair Himmelrich, seconded by Committee Member Winterer to

receive and file. The motion was unanimously approved by roll call vote with all members present except Committee Member O'Day.

REPORTS

4. Human Resources Department Organizational Assessment (Moss Adams and Lori Gentles, Chief People Officer) was presented.

There were no members of the public present to speak.

The Auditor made the following recommendations on this item:

- a) Move to electronic employee files to increase efficiency.
- b) Decrease reliance on civil service rules.
- c) Creating more automated processes such as onboarding and off boarding employees.
- d) Moving to group-based retirement consultations.
- e) Rethinking how examinations are administered.
- f) Standardizing conflicting practices and policies.
- g) Proactive communication to respond to change.
- h) Proactive, responsive and accurate information when responding to customers.

Questions asked and answered of staff included but was not limited to: do exams have to be proctored by HR staff, who is defined as our customers, what is the promotional list and how does it work, is there a recommendation to move to a third party benefits billing/administration, should annual evaluations be prioritized higher, how does the size of our HR Department compare to other comparable cities and are we looking to return the staffing to pre-COVID levels once the budget allows, how will passage of Measure AB operations, are two investigators enough for accusations of employee wrongdoing, do those who file a complaint receive any written documentation, will Moss Adams be conducting a compensation study, would we be able to consult with other cities to do a comparison, how long has the Chief People Officer been employed with the City, what can be done by City Council or in the committee to achieve the goal of becoming more digital.

Motion by Committee Member Winterer, seconded by Vice Chair Van Denburgh to receive and file. The motion was unanimously approved by roll call vote with all members present except Committee Member O'Day.

INTERNAL AUDIT

5. Internal Audit Status Report (Moss Adams LLP) was presented.

There were no members of the public present to speak.

VALIDATION

6. Audit Findings Validation (presented by Moss Adams LLP and City Staff) was presented.

This quarter 17 recommendations were validated in the areas of Big Blue Bus overtime, billing and accounts receivable, Fire Department

administration, human resources benefits billing, parking contract, billing and accounts receivable for parking, and purchase card internal controls testing. Findings/observations, recommendations and status was provided for each validated item.

Questions asked and answered of staff and the Auditor was are there any particular issues that require attention and will there be a report of those items that haven't been validated.

Motion by Committee Member Zernitskaya, seconded by Vice Chair Van Denburgh to receive and file. The motion was unanimously approved by roll call vote with all members present except Committee Member O'Day

PROGRESS REPORT

7. Progress Report on all Findings and Observations (presented by Gigi Decavalles-Hughes, Director of Finance)

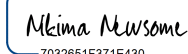
There were no members of the public present to speak.

Question asked and answered of staff included: are all the departments implementing the recommendations that have been made over the past three years and how is the ERP transition progressing.

ADJOURNMENT

On order of the Chair, the Santa Monica Audit Subcommittee meeting was adjourned at 7:55 p.m.

ATTEST:

DocuSigned by:

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Nikima S. Newsome
Assistant City Clerk

APPROVED:

DocuSigned by:

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Sue Himmelrich
Chair