City of Cambridge

The Auditor Committee conducted a public hearing on Tuesday, March 2, 1993, beginning at 4:56 p.m. in the Ackermann Room, Second Floor, City Hall.

Vice Mayor Edward N. Cyr, Chair of the above referenced committee, convened the hearing and stated that the purpose of this date's proceedings was to continue discussions on the position of City Auditor. Present at the hearing were: Councillor Walter J. Sullivan, Councillor Alice K. Wolf, City Manager Robert W. Healy, Assistant City Manager for Fiscal Affairs James P. Maloney, Jr. and Deputy City Clerk John E. Flynn.

To begin the discussion, Vice Mayor Cyr recognized Mr. Maloney for an outline of a draft job description for the position of City Auditor. (A copy is attached).

The City Manager stated that the job description represented a generic broad-base one that provides an opportunity for the selected person, over a six month period, to familiarize him/her self with the functions of the city's accounting systems and the City Council with further review and redefinition at the end of that period.

Mr. Maloney stated that points 3 and 7 of the draft job description covered the accounting function of the office. He also noted that point 7 will require a close working relationship to be established between the Finance Director and the City Auditor in order to achieve the stated objectives.

Vice Mayor Cyr inquired of the statutory differences between the classification City Auditor and City Accountant.

Mr. Maloney in response stated that in Cambridge, and most other communities, the classification is synonymous.

Councillor Wolf stated that in reviewing the draft job description that the relationship between the City Auditor and Finance Director should be on a degree of parallelism and that structurally in point 7 the wording "under the direction of" should be replaced with the wording "with".

Councillor Sullivan stated his concurrence with Councillor Wolf noting the fact that the City Auditor is an appointment of the City Council and is accountable to that body.

Vice Mayor Cyr stated that in system design (point 7) someone needs to be responsible, either to do it or provide oversight. In Cambridge, presently, it is the latter.

Mr. Maloney stated that a need exists for the City Auditor to possess a strong accounting background but cautioned on point 7 with Councillor Wolf's and Councillors Sullivan's comments stating that it could be more regressive than progressive given the fact that a system is in place and is working. He stated his support for an internal audit component.

With regards to point 8, Councillor Wolf commented that maybe the City Manager should request the City Council for various financial reports by the Auditor similarly to how the City Council has to request the City Manager for reports from the various city departments, boards and commissions.

Vice Mayor Cyr noted that although the City Auditor is appointed by the City Council and is accountable to it that the Council does not provide direct supervision over the employee nor should it.

City Manager Healy noted that the present city ordinance that restructured the Finance Department served as the model for the state statute for a strong Finance Director to provide coordination and stability over the accounting systems.

Mr. Maloney concurred with the City Manager's statements noting the fact that Cambridge has been successful, financially, due to this stability ingredient built into the Ordinance.

At this time, the Vice Mayor returned the discussions to the draft job description and noted that from the eight point outline, it could be grouped into the following three functions:

- Financial Control - 1,3,7;
- Internal Audit - 2, 6, 8;
- Reporting - 4, 5.

Mr. Maloney noted his concurrence with the Chair's groupings.

Vice Mayor Cyr inquired of the ways to simplify the accounts payable function as described in point 1 of the draft job description.

Mr. Maloney stated that at present, some manual functions are duplicated and that it could be simplified.

Vice Mayor Cyr inquired if it was possible for departments to cut purchase orders and pay invoices directly.

The City Manager in response stated that the present system allows for it but he is hesitant to proceed with it due to the fact that the checks and balances would occur after the fact.

Mr. Maloney noted that at present that the School Department, to a degree. has been de-centralized and that the Police Department enters it's own payroll to a centralized system.

The City Manager noted that whatever system is created, personalities will play a role and a need exists to build in the checks and balances as you progress. He stated that the draft job description was a good start and that a review could be made after the City Council made a decision on the appointment of a City Auditor.

Vice Mayor Cyr stated that the next course of action would be to categorize this draft job description and prepare an ad.

The City Manager inquired of the committee for a listing of the minimum qualifications that they would entertain in this position.

The Vice Mayor in response stated that the candidate would have a CPA and public sector experience would be a plus.

Mr. Maloney suggested the inclusion of candidates with and MBA or and MPA so as not to limit the pool of applicants.

Councillor Sullivan commented that given the state of the economy, there will be no shortage of applicants for this position.

The City Manager also recommended to the committee that Cambridge residency be included in the ad.

With regards to point 6 of the draft job description, the Vice Mayor suggested that the following wording be added after the word services "and the development of the annual budget". He stated that this provision would serve to assist the City Council in its budget analysis and not to infringe on the statutory responsibilities of the Budget Director.

The City Manager commented on the fact that the inclusion of that wording might pit the staff against the Auditor.

The Vice Mayor countered by stating that the Auditor would provide management information prior to the adoption of the annual and capital budget for the City Manager.

Mr. Maloney suggested to the committee his desire to re-work the present Ordinance covering the Finance Department within the next six weeks working in concert with the committee.

Vice Mayor Cyr inquired if it could be done after the selection of an Auditor.

Mr. Maloney responded in the negative stating that it would allow for the new Auditor to understand the duties and responsibilities before he/she began their employment with the city.

Vice Mayor Cyr outlined the following schedule to proceed with:

- Revised job description with qualifications to be reported to the full City Council on March 15, 1993.

- Upon acceptance of the revised job description by the City Council, the advertising and initial screening process would be undertaken by this committee with Mr. Maloney continuing to assist.

The hearing was adjourned at 5:40 p.m.

For the Committee,

Edward N. Cyr (JEF)

Vice Mayor Edward N. Cyr
Chair

City Auditor
City of Cambridge

The City Auditor of the City of Cambridge shall be appointed by the City Council for a three year term. The City Auditor shall have the following responsibilities and duties:

1 * Shall conduct audits of all purchase orders, receipts, and disbursements to ensure compliance with state and municipal statutes.

2 * Shall have access to departmental records for the purposes of conducting internal audits of financial practices at his/her initiative or the request of the City Council, City Manager or Finance Director.

3 * Subject to the approval of the City Manager and under the direction of the Finance Director, the Auditor shall design and maintain the General Ledger and ensure the reconciliation of the General Ledger with all subsidiary ledgers.

4 * Shall prepare periodic and year-end financial statements for the review by the City Manager, City Council, and public. Said statements shall be prepared in full compliance with Generally Accepted Accounting Principles (GAAP) and the Uniform Massachusetts Accounting System (UMAS).

5 * Shall respond to various reporting requirements of the Massachusetts Department of Revenue.

6 * Shall prepare various analysis of municipal programs at the request of the City Council, City Manager or upon own initiative to assist in the delivery of effective and efficient municipal services.

7 * Working under the direction of the Finance Director, shall assist in the development of financial control systems for the City.

8 * Perform other financial analysis and review as requested by the City Council or City Manager.

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COMMITTEE REPORTS

Auditor Committee Report regarding the position of City Auditor.

In City Council,

March 15, 1993

Report accepted
Placed on file