City of Cambridge

The Auditor's Committee conducted a public hearing on Thursday, February 9, 1993 beginning at 4:55 p.m. in the Ackermann Room, City Hall.

Vice Mayor Edward N. Cyr, Chair of the above referenced Committee, convened the hearing and stated the purpose of this date's proceedings was to continue discussions on the Office of the City Auditor. Present at the hearing were: Councillor Francis H. Duehay, Councillor Walter J. Sullivan, 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 a presentation on the role of the City Auditor in other communities.

Mr. Maloney stated that many communities throughout the Commonwealth of Massachusetts do not use a centralized Finance Department model similar to the one used in Cambridge. Many communities opt to use a separate functions model reporting directly to the Chief Executive Officer. He noted to the Committee, a proposal offered by Mr. Harvey Beth, Comptroller of Brookline, and presently tied up in the Legislature, that would create a strong Finance Department that provides for controls and external audits.

Councillor Duehay inquired if a logical outbranch of the present Auditor's Office could be made.

Mr. Maloney in response stated that once can separate accounting from auditing functions, i.e. reconciliation of accounts, accounts payable in the office. Further review is needed with the staffing pieces.

Councillor Duehay inquired of the volume of bills paid on an annual basis.

Mr. Maloney in response stated the number was 75,000 on an annual basis but further clarification was needed to know if this was a result of separate entries. He cited the example of ComElectric where there are hundreds of bills processed but one check issued.

Councillor Duehay inquired of the controls employed on non cashed checks.

Mr. Maloney stated that his office receives on a daily basis an outstanding check report from the bank.

Councillor Duehay inquired if checks are canceled and by whom.

Mr. Maloney stated that on occasion checks have been canceled and that it was a function of the Treasurers'.

Vice Mayor Cyr inquired of the Committee if there was general agreement to recommend moving the General Ledger functions to the Treasurer's Office and that the Auditor hire the external independent firm on a yearly basis.

Mr. Maloney concurred with the former, but did not concur with recommendation for the Auditor to supervise the external audit.

Councillor Duehay inquired why the external audit was not addressed to the City Auditor and then presented to the City Council.

Vice Mayor Cyr stated that he would like to review this issue with the City Manager.

Other areas of general agreement offered by Vice Mayor Cyr included:

-post audit review of monthly reports.
-production of quarterly reports to the City Council.
-knowledge of investments.
-staffing/review of budget process
-working with City Manager to do program audit, i.e. fire study.

Vice Mayor Cyr inquired of the ways to accomplish without adding personnel and conflict. He stated that he did not want a logger jam nor a person who issues Inspector General reports.

Councillor Duehay noted the fact that the City Manager is constantly being requested for reports and that the Auditor's Office might offer some assistance in meeting the requests.

Mr. Maloney inquired of the Committee if the City Council is looking for staff or an audit function.

Vice Mayor Cyr in response stated that the field of Auditing is moving away from looking for cheaters and now is concentrating with performance.

Councillor Duehay inquired if tensions exist between the School Department and the Auditor's Office.

Mr. Maloney in response stated that little tension exists between the two departments.

Vice Mayor Cyr suggested that an invitation be extended to the City Manager for his comments to the Committee at the next meeting.

Councillor Duehay suggested to the Committee and to the Assistant City Manager that the word be put out that the City of Cambridge maybe looking for a new Auditor to ensure a healthy competition of candidates.

The hearing was adjourned at 5:30 p.m.

For the Committee,

Edward N. Cyr DMJ

Vice Mayor Edward N. Cyr, Chair

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COMMITTEE REPORTS

Report from the Auditors Committee
for a hearing held on February 9,
1993 for a presentation on the role
of the City Auditor in other communities.

In City Council,

March 1, 1993

Report accepted by
a voice vote of 7
members.
Placed on file