City of Cambridge

The Auditor's Committee conducted a public hearing on Tuesday, February 2, 1993 beginning at 4:48 p.m. in the Sullivan Chamber, 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 begin discussion on the Office of 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 review of the statutory and Municipal Code responsibilities of the position of City Auditor.

Mr. Maloney provided to the Committee an historic overview of the 1974 City Council action that created the Finance Department and the position of Assistant City Manager for Fiscal Affairs. He further stated that the position serves to coordinate and assist in the operations of the several divisions. He also stated that the Ordinance encounted the inherent conflicts between the position, the Auditor and the Board of Assessors. Over time, the issues and conflicts have mellowed with the automation of all financial functions and the infusion of new personnel.

With regards to the position of City Auditor, Mr. Maloney identified the following areas of accountability and responsibility.

1. Statutory appointed by the City Council for a term of three years;

2. Custodian of all contracts;

3. Conservator of the General Ledger, and

4. Approval of all purchases (goods and services) and payroll.

Vice Mayor Cyr inquired of what city personnel is authorized to post to the General Ledger.

In response, Mr. Maloney stated that through the automation of the financial systems that this function has become less of an Auditing one and is done by Finance Department personnel. He also stated that the Auditor is still the control point.

Vice Mayor Cyr as a follow-up inquired of the role of the Auditor in the Purchasing function.

In response, Mr. Maloney stated that the Auditor reviews invoices, reviews payment and reviews encumbrance. He also maintains control of the chart of account.

With regards to the Auditor's role in the Accounts Payable function, the Chair inquired if it was defined by state statute.

Mr. Maloney in response stated that the Auditor approves the payment by statute and that currently the Auditor's Office provides the accounts payable function for the City.

Councillor Duehay inquired if the Approval and Payment functions could be done by one office.

In response, Mr. Maloney stated that some cities and town operate that way.

At this time the Chair inquired of Mr. Maloney to outline the roles of Auditors in other communities.

Mr. Maloney in response stated that in Somerville, the Auditor serves as the primary Chief Financial Officer and that in Medford, the Auditor, appointed by the City Council, performs many Human Resources functions and that the City Accountant, appointed by the Mayor, manages the General Ledger.

At this time, the Chair inquired of the Committee members for a partial list of their priorities in the new structure.

In response, Councillor Duehay noted that the Auditor presently serves on the Retirement Board and that knowledge of investments is important. He also stated the role of the Auditor needs to be defined vis a vis serving the City Council or reporting to the Assistant City Manger for Fiscal Affairs. He noted that the intent of state law is for the Auditor to provide a check and balance on the City Administration.

Councillor Sullivan stated that he did not favor a restructuring of the functions of the office and wanted to protect present personnel.

Vice Mayor Cyr stated that he wanted to make rational and balanced functions for which the office is to serve and that issues such as the role to be played in maintaining purchasing safeguards needs to be defined, as well as defining a different set of checks and balances to meet changing times.

Mr. Maloney concurred that state statues have not kept abreast of technology, but noted the yearly external independent audit as providing the checks and balances on the City Administration.

At this time Councillor Duehay requested of the Chair and Mr. Maloney to confer and draft a job description for review by the Committee.

The Chair noted his concurment with the Councillor's proposal.

The hearing was adjourned at 5:25 p.m.

For the Committee,

Edward N. Cyr DMD

Vice Mayor Edward N. Cyr, Chair

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COMMITTEE REPORTS

Report from the Auditors Committee for a hearing held on February 2, 1993 regarding a review of the statutory and Municipal Code responsibilities of the position of the City Auditor.

In City Council,

March 1, 1993

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