

RESOLUTION NO. _____, SERIES 2017

A RESOLUTION REQUESTING THE OFFICE OF INTERNAL AUDIT OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT TO CONDUCT AN AUDIT OF CORRECTIONS CONCERNING THE RELEASE AND IN-CUSTODY CLASSIFICATION MOVEMENT OF INMATES.

SPONSORED BY: COUNCIL MEMBER DAVID JAMES

WHEREAS, KRS § 67C.103 grants Louisville/Jefferson County Metro Council (“Metro Council”) with the power to request the Internal Auditor perform an audit concerning the affairs of Louisville/Jefferson County Metro Government (“Louisville Metro Government”);

WHEREAS, Metro Council would like to formally request an audit of Louisville Metro Department of Corrections concerning the release and the in-custody classification movement of inmates, so that Metro Council can define the scope and objective of the audit;

WHEREAS, the Internal Auditor’s Policies and Procedures and IIA Standards require a formal request when Metro Council desires to define the scope and objective of an audit;

WHEREAS, Metro Council, pursuant to KRS § 67C.103, formally requests the Internal Auditor to perform an audit of Louisville Metro Department of Corrections; and

WHEREAS, Exhibit A outlines the recommended objective and scope that Metro Council requests the Internal Auditor to use;

WHEREAS, by its Resolution No. 025, Series 2017, Metro Council requested an expanded audit of Metro Corrections concerning the release of inmates;

WHEREAS, as evidenced in the attached Engagement Letter, the Internal Auditor stated that she did not have the legal expertise to conduct the requested audit and would outsource to a third party who could handle the complexity of the audit;

WHEREAS, since the Internal Auditor does not have the legal expertise to handle Metro Corrections inmate release audits, the audit outlined in Exhibit A should be outsourced to the third party chosen to conduct the audit identified in Resolution No. 025, Series 2017; and

WHEREAS, by outsourcing both inmate release audits, Metro Council can economically and efficiently use an expert who has the requisite knowledge and skills to properly audit Louisville Metro Department of Corrections' inmate release procedures.

BE IT RESOLVED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (METRO COUNCIL) AS FOLLOWS:

SECTION I: Metro Council formally requests the Internal Auditor to ~~conduct an~~ outsource the audit of Louisville Metro Department of Corrections regarding the release and the in-custody classification movement of inmates as more particularly defined in Exhibit A to the third party auditor chosen to conduct the expanded audit requested in Resolution No. 025, Series 2017.

SECTION II: The preliminary report date for this audit is June 19, 2017 with a completion date of August 30, 2017.

SECTION III: This Resolution shall take effect upon its passage and approval.

H. Stephen Ott
Metro Council Clerk

David Yates
President of the Council

Greg Fischer
Mayor

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

BY: _____

Butler Amendment to CM James Audit of Inmate Release nl 060117.docx

Resolution 025, Series 2017 - Guidance Sought

Porter, Mayria

Sent: Wednesday, May 31, 2017 2:47 PM
To: Yates, David; Hesen, Ellen M; Butler, Marianne
Cc: Boles, Brian; Hughes, Susan
Importance:High

Hello,

As the Office of Internal Audit reports jointly to the Mayor and the Council, it is our goal to add value as determined by both parties. As such, the OIA will proceed in our activities as directed. However, I believe it is important that I share my concerns regarding our continued involvement in the Department of Corrections Judicial Directive Review, requested by way of Resolution 025, Series 2017 (the Resolution).

I am writing to make you aware of two primary concerns and to seek guidance regarding our continued involvement.

- The resolution requests the OIA to perform a comprehensive audit of the Department of Corrections. Due to the legal expertise required to complete the review, the OIA is unable to perform the tasks outlined in Exhibit A of the Resolution. The OIA engaged to administer the contract for outsourcing the activities, which includes procurement of services in accordance with the Louisville Metro Government Purchasing Policy and oversight of the contract to ensure independent and objective administration of the contract. However, involvement of the OIA may be misleading, considering that we are not involved in the key activities that we would typically perform to ensure independence and objectivity of the administration of the contract such as selecting the type of contract or vendor evaluation. This is largely due to the desire to have local subject matter experts make such decisions, which is understandable considering the complexities of the review.
- As the intentions and complexities involved with the review have become more clear, the review has evolved as such that the involvement of the Office of Internal Audit does not align with the services typically provided by the Office of Internal Audit. The OIA's involvement with the review has been reduced to tasks such as facilitating meetings, vendor solicitation, and completing the requisite purchasing templates. The OIA is capable of completing such tasks. However, our audit resources are more efficiently and effectively used in performing audits and reviews of Louisville Metro units and processes.

I have discussed these concerns with Councilwoman Butler. The OIA will continue to perform the tasks related to the administration of the contract unless otherwise determined.

Thank you,

May R. Porter, CIA
Internal Audit Director
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