

**INTERAGENCY INTERNAL AUDIT AUTHORITY
OPEN SESSION MINUTES
APRIL 21, 2021**

The Interagency Internal Audit Authority (IIAA) met virtually at 8:00 a.m. Those present were:

IIAA Members: Chair Steve Darr, Vice Chair Nicole Prorock, Jon Alexander, Shaun Jones, Steve McKay, Tom Lynch, and Sue Johnson

Note: Shaun Jones and Sue Johnson were not present for first two votes.

IA Staff: Tricia Reaver, Dawn Reed

FCC Staff: Cathy Perry-Jones and Amy Stake

FCPS Staff: Amanda Baugher and Melissa Rollison

FCG Staff: Melanie Thom

Contractors:

SC&H: Matt Simons, Ed Mikhail, Sam Fitzgerald, and Lucas Ward

CLA: Sean Walker and Cheri King

SB & Company: Chris Lehman

Mr. Steve Darr, Chair, called the virtual IIAA open meeting of April 21, 2021, to order at 8:00 a.m.

Approval of Agenda – April 21, 2021

Mr. Tom Lynch made a motion to accept and approve the agenda for the April 21, 2021 meeting as presented, seconded by Ms. Nicole Prorock. All present voted in favor (Shaun Jones and Sue Johnson absent). The motion passes.

Approval of Open Meeting Minutes – March 17, 2021

Mr. Tom Lynch made a motion to approve the open meeting minutes of March 17, 2021, seconded by Ms. Nicole Prorock. All present voted in favor with Jon Alexander and Steve McKay abstaining (Shaun Jones absent). The motion passes.

Status of Assignments

Mrs. Tricia Reaver first mentioned that Mr. Shaun Jones was confirmed by the Frederick County Council on April 6, 2021 and his membership is now good through June 30, 2025. She also mentioned that Mr. Chris Lehman from SB & Company was also joining us and will probably continue to join our monthly meetings in the future.

CLA:

FCG Receipts Transactions – Mrs. Reaver said fieldwork for this audit is in process and the testing phase is being worked through diligently. She said they had to pull samples from the general ledger, and obtain information from the general ledger back into sub-ledgers. We are finding the receipts difficult to trace with our new software system. Mrs. Reaver said she has been helping CLA put meetings together with different individuals to track down some of the processes, which has benefited the recommendation process, we have a better understanding of how the different systems are tying together.

FCG Sub Recipient Monitoring Grants – Mrs. Reaver said the County has received or will be receiving two more rounds of large funding and the Finance Division will still need assistance with tracking that funding. A discussion was held on County plans for monitoring the new funds and independence.

FCG/FCC/FCPS Financial Transactions – Mrs. Reaver said CLA will be doing these audits for all three entities, the County is just kicking off. She said for both FCC and FCPS, those reports are gathered and analytics are being run by CLA. Mrs. Reaver said they are hoping to get through those and start drafting the reports. Mrs. Cheri King, CLA, confirmed that and said both are in the reporting state and expects to have draft reports for FCC and FCPS for the May meeting. Mrs. Reaver said that while we may have the draft reports, we will most likely not have management responses by then. She said that a draft report on FCG may not come until the June meeting.

FCG Hotel Rental Tax – Mrs. Reaver said we had realized last month that we need to conduct the hotel rental tax audit. She said a draft task order is in the packet for IIAA vote. Mrs. Reaver said the engagement plan mirrors the past hotel tax audit except for one added step in regards to the County Human Trafficking Bill. Mrs. Reaver said this piece would check to see if the hotels and their staff have been doing their certifications in accordance with the new County code.

Mrs. Nicole Prorock made a motion to accept and approve Task Order #21-09, Frederick County Government Hotel Rental Tax and issue to CLA, seconded by Mrs. Sue Johnson. All present voted in favor. The motion passes.

SC&H:

FCG/FCC/FCPS Network Security – Mrs. Reaver said all three entities are in process and a FCG and FCC report have been drafted. She said they are reviewing and going over the recommendations with each entity, so they can start working on management responses. Mrs. Reaver said she would be providing the drafts for the IIAA to review, but probably not up for vote as we await management responses. She said for the FCPS report, they are still finalizing the testwork phase and that draft report may not be together and ready until the June meeting.

FCG Fixed Asset Inventories, Accountability & Surplus – Mrs. Reaver said this audit is moving well and that we've met with the departments and the planning phase is complete. She said she has reviewed the audit program as well. Mrs. Reaver presented the plan to the IIAA from the meeting packet along with the testing phase budget from SC&H.

FCG IIT tabletop/roundtable facilitation for disaster recovery plan – Mrs. Reaver said SC&H is working with our IIT department on this facilitation and that they are still working out a few details on this. Sam Fitzgerald from SC&H noted that he will check with Anthony on the status.

Special Projects and Other Work:

DFRS Cost Analysis/Staffing Mix – Mrs. Reaver mentioned that she is still waiting on the budget report from the external contractor that's doing the work for the DFRS operations analysis and should be getting that sometime in May. She said it may even be June depending on how things get pushed back.

Follow Ups:

Mrs. Reaver said she had forgot to mention last month about the FCG CCRC and FCC Procurement and Contracting follow ups. She said letters were sent out and now she is reviewing the materials and updates for both of these.

- FCG CIP – Mrs. Reaver said she has spoken to both the County Attorney's Office and the Procurement and Contracting department and they are finalizing now, hopefully by the May meeting, this can be closed out.
- FCPS PII – Mrs. Reaver said she has spoken with Leslie Pellegrino, CFO for FCPS, and discussed still needing to start work on that. She said they are a little behind but are starting.
- FCG PII – Mrs. Reaver said the County has drafted their policy and it's with the CEO's Office. She said she expects to be getting a draft by the end of this week.

Risk Assessments

FCG/FCPS/FCC - Mrs. Reaver said we had some great feedback from last month and also a request to change a few things, which she said Mrs. Dawn Reed did complete. She said columns were added with information about the year the audit was added to the list and if the audit had moved up or down on the list. Mr. Steve Darr made another request to add the word "fiscal year" to the heading of a column. After the IIAA had discussions on all three entities' risk assessments, a vote was called to approve.

Mr. Tom Lynch made a motion to approve the Frederick County Government's FY22 Risk Assessment with a minor heading change, seconded by Mrs. Sue Johnson. All those present voted in favor. The motion passes.

Mrs. Nicole Prorock made a motion to approve the Frederick Community College's FY22 Risk Assessment with a minor heading change, seconded by Mr. Shaun Jones. All those present voted in favor. The motion passes.

Mrs. Sue Johnson made a motion to approve the Frederick County Public Schools' FY22 Risk Assessment with a minor heading change, seconded by Mr. Jon Alexander. All those present voted in favor. The motion passes.

Fraud Hotline

FCG – None to report.

FCC – None to report.

FCPS – None to report.

Other Business

Audit Manual – Mrs. Reaver said both she and Mrs. Reed has been tying up the audit manual and hopes to have that to you by the June meeting. She said there is no action needed on the audit manual, it is just being updated and sent for your review and information. Mrs. Reaver said that Mrs. Reed is also working on updating the coordinator's manual as well.

Mrs. Reaver said that we did not receive any letters of interest for our second open seat that will be available beginning July 1, 2021. She said that we are continuing to advertise on the FCG website but not in the paper as it is a costly expense. Mrs. Reaver mentioned that if anyone knows of anyone who might be interested to reach out to them.

At 9:11 a.m., Mr. Steve Darr adjourned the April 21, 2021 meeting.

Respectfully Submitted,



Dawn Reed
Coordinator, Internal Audit