

**INTERAGENCY INTERNAL AUDIT AUTHORITY  
OPEN SESSION MINUTES  
JUNE 16, 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, and Tom Lynch

IA Staff: Tricia Reaver, Dawn Reed

FCC Staff: Joe McCormick

FCPS Staff: Leslie Pellegrino, Amanda Baugher and Melissa Rollison

FCG Staff: Lori Depies, Erin White, Melanie Thom and Nick Hetrick

Contractors:

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

CLA: Sean Walker and Jonathan Griffin

SB & Company: Chris Lehman and Bill Seymour

Mr. Steve Darr, Chair, called the virtual IIAA open meeting of June 16, 2021, to order at 8:00 a.m.

Approval of Agenda – June 16, 2021

**Mr. Tom Lynch made a motion to accept and approve the agenda for the June 16, 2021 meeting as presented, seconded by Ms. Nicole Prorock. All present voted in favor (Shaun Jones, Steve McKay, and Sue Johnson absent). The motion passes.**

Approval of Open Meeting Minutes – May 19, 2021

**Mr. Tom Lynch made a motion to approve the open meeting minutes of May 19, 2021, seconded by Mr. Jon Alexander. All present voted in favor (Shaun Jones, Steve McKay, and Sue Johnson absent). The motion passes.**

**Mr. Tom Lynch made a motion to approve the closed meeting minutes of May 19, 2021, seconded by Ms. Nicole Prorock. All present voted in favor (Shaun Jones, Steve McKay, and Sue Johnson absent). The motion passes.**

Status of Assignments

CLA:

FCG Receipts Transactions – Mrs. Reaver said that field work is in a wrap up state. She said some information from treasury was received and some is still outstanding. All information is due from treasury in the month of June.

FCG Sub Recipient Monitoring Grants – Mrs. Reaver said the County is continuing to move forward with utilizing CLA and they are going to be working with our Procurement and Contracting Department to be sure that everything gets within the realm of our contracts. She said there is an amended contract that was included in the packet.

FCG/FCC/FCPS Financial Transactions – Mrs. Reaver said that FCPS is the furthest along out of these three audits and a first draft report is ready for review and is quite a lengthy report. She said no action is needed right now, she just wanted to get it to you as soon as possible to start reviewing. Mrs. Reaver said she wanted Mr. Steve Darr to have a chance to see the direction of the three audits before he leaves his position. For FCC Financial Transactions, she said that Jonathan Griffin, CLA, met with FCC staff yesterday to go over some questions that he had from the data analytics and it looks like they've collected most of the data that they needed to collect, so that report is in the drafting process. Mrs. Reaver said she assumes we will have a first draft for next month's meeting, but will not be voted upon until the month after. She said the County's report is still in process as data is still being collected.

FCG Hotel Rental Tax – Mrs. Reaver said this audit is in process as Cheri Amos, CLA, has been working on getting in touch with the hotels. She noted some of the hotels are more responsive than others, but they are working through them.

SC&H:

FCPS Timesheet Controls – Mrs. Reaver said the report has been updated as discussed last month and the draft report is in your packet, ready for approval and vote.

**Mr. Tom Lynch made a motion to accept and approve with minor edits, Audit Report #20-03, Frederick County Public Schools Timesheet Controls and to issue as a public document, seconded by Ms. Nicole Prorock. All those presented voted in favor (Shaun Jones, Steve McKay, and Sue Johnson absent). The motion passes.**

FCG/FCC/FCPS Network Security – Mrs. Reaver said we have two in draft at this time and have been included in the packet. She said they are the FCG and FCC reports and wanted to remind everyone that some of the information within the reports is sensitive to the security data network of those entities, but they are ready for approval and vote.

**Ms. Nicole Prorock made a motion to accept and approve with minor edits, Audit Report #21-07, Frederick Community College Network Security and to keep as a confidential document, seconded by Mr. Jon Alexander. All those present voted in favor (Shaun Jones, Steve McKay, and Sue Johnson absent). The motion passes.**

**Ms. Nicole Prorock made a motion to accept and approve Audit Report #21-05, Frederick County Government Network Security and to keep as a confidential document, seconded by Mr. Tom Lynch. All those present voted in favor (Shaun Jones, Steve McKay, and Sue Johnson absent). The motion passes.**

Mrs. Reaver said the FCPS Network Security is still outstanding, but all testing has been completed and is in the drafting stage now.

FCG Fixed Asset Inventories, Accountability & Surplus – Mrs. Reaver said this audit is in process as a testing phase and we are performing live audit procedures at the County. She said last week, the team from SC&H was out in the field with her as well.

Special Projects and Other Work:

DFRS Cost Analysis/Staffing Mix – Mrs. Reaver said the report is drafted and it's in the CAO's Office and she is waiting for them to release the draft for her to review.

Follow Ups:

- FCG CIP – Mrs. Reaver said she is waiting the final approval of the draft policies and procedures, which are currently with the County Attorney's Office
- FCPS PII – Mrs. Reaver said Leslie Pellegrino, FCPS, brought up utilizing some of the resources that the county utilized. She said they're working on that to help them get caught up with their policies and procedures.
- FCG PII – Mrs. Reaver said all directors received the final draft to review, so she feels it is moving along.
- Ambulance Billing – Mrs. Reaver said there is just one open item that she is working on with the live meetings that's supposed to be happening within the next couple months.
- FCG CCRC/Montevue – Mrs. Reaver said there are very minor open items here and does not suspect those will take too terribly long to clear after the back and forth.
- FCC Procurement & Contracting – Mrs. Reaver said the same with this follow up as with the FCG CCRC/Montevue follow up, very minor open items.

Fraud Hotline

FCG – None to report.

FCC – None to report.

FCPS – None to report at time of packet distribution. Mrs. Reaver said an item did come in that requires attention. She said FCPS did put on probation, one of their charter schools. She said since the charter schools audit was the next audit

on our risk assessment to perform, she is putting a task order together to do an audit over one of the charter schools and the financials of that charter school. Mrs. Reaver said once the task order is drafted and she has the response from CLA, she will be sending it out to the IIAA for an email vote.

Other Business

**Audit Manual** – Mrs. Reaver said the audit manual is complete and is ready for the IIAA signature and to be put on the Internal Audit Website.

**IIAA Membership** - Mrs. Reaver mentioned that we have not received any letters of interest but she is still trying to reach out to see if anyone may be interested in volunteering.

**IIAA Meeting** - Mrs. Reaver said the County is conducting surveys from the various boards and commissions to see how they feel about returning to live meetings, continue virtual, or a hybrid of the two. She said the County has not made any official announcement as of yet. It was agreed that the July meeting would move forward as a virtual meeting and we will have another discussion at that time.

**IIAA Outgoing Chair** - Mrs. Reaver said one last item of business is to present Mr. Steve Darr with a certification of appreciation for his 9 years of volunteer services on the IIAA. She, along with other IIAA members and contractor staff thanked him for his leadership and wished him all the best in his future endeavors.

At this time, the IIAA nominated and selected the Chair and Vice Chair for the period 7/1/21- 6/20/22.

**Ms. Nicole Prorock made a motion to nominate and select Mr. Jon Alexander as the IIAA Chair for the period July 1, 2021 through June 30, 2022, seconded by Mr. Tom Lynch. All those present voted in favor (Shaun Jones, Steve McKay, and Sue Johnson absent). The motion passes.**

**Mr. Steve Darr made a motion to nominate and select Ms. Nicole Prorock as the IIAA Vice Chair for the period July 1, 2021 through June 30, 2022, seconded by Mr. Tom Lynch. All those present voted in favor (Shaun Jones, Steve McKay, and Sue Johnson absent). The motion passes.**

**At 9:45 a.m., for his final meeting, Mr. Steve Darr adjourned the June 16, 2021 IIAA meeting.**

Respectfully Submitted,



Dawn Reed  
Coordinator, Internal Audit