

**INTERAGENCY INTERNAL AUDIT AUTHORITY
OPEN SESSION MINUTES
SEPTEMBER 15, 2021**

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

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

IA Staff: Tricia Reaver and Dawn Reed

FCC Staff: None

FCPS Staff: Melissa Rollison

FCG Staff: Lori Depies and Erin White

Contractors:

SC&H: Matt Simons, Sam Fitzgerald, Anthony DiGiulian, Charles Ward, and Lucas Ward

CLA: Sean Walker, Cheri Amoss, and Jonathan Griffin

SB & Company: Chris Lehman

Mr. Jon Alexander, Chair, called the virtual IIAA open meeting of September 15, 2021, to order at 8:00 a.m.

Approval of Agenda – September 15, 2021

Mr. Tom Lynch made a motion to accept and approve the agenda for the September 15, 2021 meeting as presented, seconded by Mrs. Sue Johnson. All present voted in favor (Steve McKay and Nicole Prorock absent). The motion passes.

Approval of Open Meeting Minutes – July 14, 2021

Mr. Tom Lynch made a motion to approve the open meeting minutes of July 14, 2021, seconded by Mr. Shaun Jones. All present voted in favor (Steve McKay absent). The motion passes.

Approval of Closed Meeting Minutes – July 14, 2021

Mr. Tom Lynch made a motion to approve the closed meeting minutes of July 14, 2021, seconded by Ms. Nicole Prorock. All present voted in favor (Steve McKay absent). The motion passes.

Status of Assignments

CLA:

FCG Receipts Transactions – Mrs. Reaver said we are wrapping up remaining sample selections from Treasury, which they did receive some items yesterday. She said CLA is now working through them and they are working on drafting the report. Cheri Amoss, CLA, confirmed.

FCG Financial Transactions – Mrs. Reaver said there are just a few items outstanding and CLA will work on drafting the report. Jonathan Griffin, CLA, confirmed and said they are waiting on a few items and then will begin the draft report.

FCC Financial Transactions - Mrs. Reaver noted that there were no FCC representatives in attendance for the meeting, however we are awaiting their management comments on the draft report. The draft is included for IIAA review in this packet and a vote will be taken on this report next month once we obtain FCC comments.

FCG Hotel Rental Tax – Mrs. Reaver said this audit is still going on, however, Cheri Amoss, CLA, is having issues with some of the hotels not being responsive, so they are going to reach out via phone (Tricia and Finance may need to get involved). She mentioned that the Tourism Council and the County has been very responsive and that portion of the audit has been completed. Cheri Amoss, confirmed.

FCPS Classical Charter Schools (FCCS) – Mrs. Reaver said this work has begun and we are still collecting a few items from FCCS, however, Sean Walker, CLA, has started reviewing some of the items already received. Sean Walker said they have received their

entire QuickBooks finance files and most of the governance information they asked for. Mr. Walker said most of the progress occurred after the status report was released to the IIAA. He said he plans to set up a meeting with Mrs. Reaver to look at some preliminary questions. Mrs. Reaver said this audit was requested by FCPS and realized the need for it to move swiftly. Mrs. Sue Johnson wanted to remind everyone that the classical charter school is currently on probation for some concerns over their financial activity and the need for financial transparency.

SC&H:

FCPS Network Security – Mrs. Reaver said this audit is in the packet and ready for an IIAA vote.

Mr. Shaun Jones made a motion to accept and approve Audit Report #21-06, Frederick County Public Schools Network Security and to post as a confidential report, seconded by Mrs. Sue Johnson. All those present voted in favor (Steve McKay absent). The motion passes.

FCG Fixed Asset Inventories, Accountability & Surplus – Mrs. Reaver said the fieldwork is completed and they are now waiting for a draft. She mentioned that Ed Mikhail is no longer with SC&H, but Mr. Chuck Ward, SC&H, who has been working on this with Ed, is very knowledgeable with everything and will be taking over as manager on this project moving forward. Mr. Matt Simons, SC&H, said that we are closing in and has the preliminary findings and will present them to IIT for review and comment. He said they have drafted the front end of report for Tricia’s review and a draft should be ready to follow once they insert management comments.

Mrs. Reaver said she is working on the next task order, which would be for the FCG Infor System (ERP system). She said it has been in place for quite a while and when you implement a large, new system like that, it is always good to do a “health check” to see how things are going. Mrs. Reaver said this audit would look at things like user controls and how it’s reporting for us. She will be discussing this with SC&H and expects to have a task order ready for a vote next month.

Special Projects and Other Work:

Mrs. Reaver said she wanted to discuss the DFRS Staffing and Operations Analysis with DFRS during risk assessment. She said the County’s Budget Office received the final report from the external entity doing the work and she has reviewed and sent questions to the Budget Office. Mrs. Reaver said, as expected, this audit only touches a surface area and did not dive into station location, apparatus location, etc. She said she is currently going through the risk assessment process and will be talking with DFRS to see if they feel an audit would be warranted.

Mrs. Reaver said the memorandum regarding weed control is included in the packet, however, it will be discussed in the closed session.

Follow Ups:

- FCG CIP – Mrs. Reaver said she is continuing to work with the County Attorney’s Office, waiting on finalization of policies and procedures.
- FCG PII – Mrs. Reaver said this audit has been closed out as of Monday (9/13/21).
- FCPS PII – Mrs. Reaver said they are working on policies and procedures and will be on hold until updated.
- FCG Fleet Services – Mrs. Reaver said she is still working with the director on a few open items.
- FCG Ambulance Billing – Mrs. Reaver said she continues to work with Shirl Ollie and is waiting for them to restart regular communications meetings.
- FCG CCRC/Montevue – Mrs. Reaver said she did receive the information needed from Finance and there were just a few things that are expected to be resolved by next fiscal year end.
- FCC Procurement & Contracting – Mrs. Reaver said she is waiting on one remaining item expected to be resolved at the end of the calendar year.

Fraud Hotline

FCG – Mrs. Reaver said she will discuss this matter in the closed session.

FCC – Mrs. Reaver said FCC had no items to report.

FCPS – Mrs. Reaver said there was one matter, which was an HR personnel matter and we will see that reflected on their quarterly report from Lighthouse.

Other Business

Annual Audit Report – Mrs. Reaver said we have completed this report and is included in your packet for a vote.

Mr. Tom Lynch made a motion to accept and approve the 2021 Interagency Internal Audit Authority Annual Report and to make a public document, with added verbiage regarding the teleworking/administrative leave policy, seconded by Mrs. Nicole Prorock. All those present voted in favor (Steve McKay Absent). The motion passes.

Annual Financial Review – Mrs. Reaver said this does not get voted upon, it is informational for your review. She said this is her summary of the entities’ financial reports and there was nothing to note this year.

IIAA Membership - Mrs. Reaver said we do still have an open seat which was advertised in the Frederick News Post with the County’s other Boards and Commissions these past two Saturdays and we are now waiting for the closing date. She said we have not had any responses as of yet.

IIAA Meetings - Mrs. Reaver said the meeting format for our October meeting is still undecided. She said the County plans to reopen on October 1st, however the date could change again. Mrs. Reaver said we will keep everyone updated on the format in which we will meet for the next meeting via e-mail.

Contractor Renewal – Mrs. Reaver said we need to look at our contractor renewal of one year extensions. She said at this time, we have included the Procurement Action Request and the staff memo for the IIAA vote on the extension of RFP 19-431 to continue services.

Mrs. Nicole Prorock made a motion to approve the option of exercising a one-year contract extension to SC&H Group, Inc. for RFP 19-431, seconded by Mr. Shaun Jones. All those present voted in favor (Steve McKay absent). The motion passes.

Mr. Shaun Jones made a motion to approve the option of exercising a one-year contract extension to CLA for RFP 19-431, seconded by Mrs. Nicole Prorock. All those present voted in favor (Steve McKay absent). The motion passes.

At 8:50 a.m., the IIAA voted to go end the open session and go into a closed session according to the Maryland Annotated Code Government Article §3-305 (b)(1) “To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals.” The topic for this closed session is to discuss a Frederick County Government Hotline Issue.

Mrs. Sue Johnson made a motion to end the open session and enter into a closed session according to the code stated by the IIAA Chair, Mr. Jon Alexander, seconded by Mr. Shaun Jones. All those present voted in favor (Steve McKay absent). The motion passes.

At 9:11 a.m., Mr. Tom Lynch made a motion to end the closed session and adjourn the September 15, 2021 IIAA meeting, seconded by Mrs. Nicole Prorock. All those present voted in favor (Steve McKay absent). The motion passes.

Respectfully Submitted,



Dawn Reed
Coordinator, Internal Audit