

APPROVED BY IAA 11/17/21

INTERAGENCY INTERNAL AUDIT AUTHORITY OPEN SESSION MINUTES OCTOBER 20, 2021

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

IAA Members: Chair Jon Alexander, Vice Chair Nicole Prorock, Steve McKay, Tom Lynch, and Sue Johnson

IA Staff: Tricia Reaver and Dawn Reed

FCC Staff: Dr. Thomas Powell, Interim President and Joe McCormick

FCPS Staff: Amanda Baugher and Melissa Rollison

FCG Staff: Dan Lewis

Contractors:

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

CLA: Sean Walker, Cheri Amoss, and Jonathan Griffin

SB & Company: Chris Lehman

Mr. Jon Alexander, Chair, called the virtual IAA open meeting of October 20, 2021, to order at 8:01 a.m.

Approval of Agenda – October 20, 2021

Mr. Tom Lynch made a motion to accept and approve the agenda for the October 20, 2021 meeting as presented, seconded by Mrs. Nicole Prorock. All present voted in favor (Shaun Jones absent). The motion passes.

Approval of Open Meeting Minutes – September 15, 2021

Mr. Tom Lynch made a motion to approve the open meeting minutes of September 15, 2021, with three (3) grammatical errors, seconded by Mrs. Sue Johnson. All present voted in favor (Shaun Jones absent). The motion passes.

Approval of Closed Meeting Minutes – September 15, 2021

Mr. Tom Lynch made a motion to approve the closed meeting minutes of September 15, 2021, seconded by Mrs. Sue Johnson. All present voted in favor (Shaun Jones absent). The motion passes.

Status of Assignments

Mrs. Reaver welcomed and introduced FCC's Interim President, Dr. Thomas Powell.

CLA:

FCG Receipts Transactions – Mrs. Reaver said we are tying up one last area of the audit and that is tying in the receipts to some of the bank statements. She said Cheri Amoss, CLA, and her team have been working on completion. Mrs. Reaver said she has been working closely with Dan Lewis, FCG Finance, and his team as well.

FCG Financial Transactions – Mrs. Reaver said Jonathan Griffin, CLA, has all the final items from the County, and what will be left is any further questions that CLA may have for the County and drafting the report. Mr. Jonathan Griffin confirmed, stating the draft of the report is in process and final drafting will require some final questions and items from the County. Mrs. Reaver wanted to remind everyone that the financial transactions audits were much different than any of the other audits we've done. Noting that these audits are more time intensive with the amount of data being reviewed and analyzed.

FCC Financial Transactions – Mrs. Reaver said an updated draft is in the packet this month, along with the management responses from FCC, this report is up for approval by the IAA today. Mr. Jon Alexander said he had a couple of comments and/or questions on the draft from last month, but they have all been addressed in both the management response and the report. He asked if any board members had any questions, comments, or feedback before he calls for a motion.

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Mr. Tom Lynch made a motion to accept and approve, with minor grammatical edits, Report # 21-04, Frederick Community College Financial Transactions, seconded by Mrs. Nicole Prorock. All present voted in favor (Shaun Jones absent). The motion passes.

FCG Hotel Rental Tax – Mrs. Reaver said there are about three (out of 10) hotels left on the list that have been slow to respond, she will be helping Cheri Amoss, CLA connect with those audits. She said the County and the Tourism Council have fulfilled their part thus far in the audit process. Mrs. Reaver mentioned they received new hotel contacts, and we are waiting on them to respond

FCPS Classical Charter Schools (FCCS) – Mrs. Reaver said this work is in process and Sean Walker, CLA, has been working on the audit. Mr. Sean Walker said they went through preliminary procedures to make sure they had everything. He also mentioned CLA is having a staffing shortage and are recovering. They have aligned a staff person to help finish the rest of the audit. Mr. Walker said the biggest open item is the detailed sample of procurement. CLA is hoping to have a draft of the audit by the next meeting.

SC&H:

FCG Fixed Asset Inventories, Accountability & Surplus – Mrs. Reaver said the fieldwork is in completion and the draft report is being worked on. Mrs. Reaver said we should expect a draft next month. Mr. Matt Simons, SC&H, agreed, stating it's a lot of moving pieces, but he thinks they're 90% complete. He said once they're able to get the responses from management, the draft report will be ready for full review.

Mrs. Reaver said the draft task order #22-02, FCG ERP System (Infor) Internal Control Review is included in the packet and ready for a vote by the IAA. She said this will be over general controls of the Infor System.

Ms. Nicole Prorock made a motion to approve Task Order #22-02, Frederick County Government ERP System (Infor) Internal Control Review and issue to SC&H, seconded by Mr. Steve McKay. All present voted in favor (Shaun Jones absent). The motion passes.

Special Projects and Other Work:

DFRS Staffing Operations Analysis – Mrs. Reaver said she went over this project with the Budget Office and will still need to go over it in more detail with fire and rescue. She said this project is still on the risk assessment for the time being.

Follow Ups:

- FCG CIP – Mrs. Reaver said she has the draft updated policy and county code document for procurement and contracting as it relates to capital projects in hand and will be reviewing it. She said the draft is with Legal and Procurement and Contracting for review, once approved it will go to the Council for approval. Mrs. Reaver said she wanted to take a look at it to see that it alleviated some of the recommendations from the old audit report that had gone out.
- FCPS PII – Mrs. Reaver said FCPS is working through updating the policies and procedures and they are looking to hire resources such as the County did. She said she will talk with Leslie on where they stand with that and will update.
- FCG Fleet Services – Mrs. Reaver said she has set up a meeting between herself, Fleet, Finance, and Budget to go over the remaining recommendations and what works best to clear those recommendations for each of the divisions. She said there has been some concern over the timing, but that is due to a change in the Division Director. Mrs. Reaver said this meeting will ensure that everyone is on the same page to clear the outstanding audit recommendations.
- FCG Ambulance Billing – Mrs. Reaver said she has spoken to Shirl Ollie and Steve Leatherman and they mentioned they are going to be pushing this back out at meetings and trainings.
- FCG CCRC/Montevue – Mrs. Reaver said she will be giving some more time on this as we are waiting for two (2) items to clear in early FY23.
- FCC Procurement & Contracting – Mrs. Reaver said she is giving some more time on this follow up as well. She said she is going to be working with Amy Stakes, FCC, to discuss where we are with the one (1) outstanding item.

Special Projects and Other Work:

Weed Control – Mrs. Reaver said she met with weed control and they have come up with a great resolution to some of the control issue recommendations made in the special project. She is confident all issues will be resolved.

Fraud Hotline

FCG – None.

FCC – None.

FCPS – None.

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Other Business

Risk Assessments – Mrs. Reaver said she is almost finished with the County, only having a few divisions left to meet with and will then be moving onto FCPS and FCC next month.

Budget Process – Mrs. Reaver said the FY23 Budget & Salary Worksheets are in your packet and the budget worksheet is up for a vote by the IAA. She said the salary worksheet can't be touched and is updated by Human Resources once the Council approves the budget. Mrs. Reaver said she will not be requesting an increase in funds for this fiscal year.

IAA Membership - Mrs. Reaver said we do still have an open seat and have been advertising with the Frederick News Post. However, no responses to the advertisement have come in. She said she has reached out to a few local firms but hasn't heard anything, she will reach out again.

IAA Meetings - Mrs. Reaver said the meeting format for our November meeting is still undecided. She said the County plans to reopen on November 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. She mentioned looking into a hybrid model in the Winchester Room once we do reopen.

FCC Representative to IAA – Mr. Tom Lynch said that FCC will be holding their Board of Trustees meeting this evening and as Chair of that Board, he will be asking if anyone else would like to step up and take a turn at representing FCC at the IAA meetings. He said he feels everyone should be knowledgeable in serving on different boards and will definitely keep everyone updated as decisions are made.

At 8:55 a.m., Mr. Jon Alexander adjourned the October 20, 2021 IAA meeting.

Respectfully Submitted,



Dawn Reed
Coordinator, Internal Audit