

**INTERAGENCY INTERNAL AUDIT AUTHORITY
OPEN SESSION MINUTES
NOVEMBER 17, 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, Steve McKay, Dr. April Miller, and Sue Johnson

IA Staff: Tricia Reaver and Dawn Reed

FCC Staff: Cathy Jones and Amy Stakes

FCPS Staff: Amanda Baugher and Melissa Rollison

FCG Staff: Lori Depies, Erin White, Melanie Thom

Contractors:

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

CLA: Cheri Amoss, and Jonathan Griffin

SB & Company: Bill Seymour

Mr. Jon Alexander, Chair, called the virtual IIAA open meeting of November 17, 2021, to order at 8:05 a.m.

Mr. Jon Alexander informed the IIAA and public that Dr. April Miller has joined the IIAA as the Frederick Community College Board of Trustees representative. He welcomed her to the IIAA and wished Mr. Tom Lynch well in his new endeavors.

Approval of Agenda – November 17, 2021

Mrs. Nicole Prorock made a motion to accept and approve the agenda for November 17, 2021, seconded by Mrs. Sue Johnson. All those present voted in favor (Dr. April Miller absent). The motion passes.

Approval of Open Meeting Minutes – October 20, 2021

Mrs. Sue Johnson made a motion to accept and approve the IIAA meeting minutes of October 20, 2021 as submitted, seconded by Mrs. Nicole Prorock. All those present voted in favor (Dr. April Miller absent). The motion passes.

Status of Assignments

CLA:

FCG Receipts Transactions – Mrs. Reaver said we are tying up one last area of the audit and then awaiting the draft report. She said she does have a meeting set up with Cheri Amoss, CLA, for next Tuesday to discuss.

**At this time, Dr. April Miller was able to log on and join the meeting. Mr. Jon Alexander introduced her once again and offered her to introduce herself as well.

FCG Financial Transactions – Mrs. Reaver said this audit is in a wrap-up phase as she and Mrs. Dawn Reed are finishing up testing transactions. There is also a list of final questions that the Finance Division is working on. She said as soon as those final items get to CLA, they will finish the draft report.

FCG Hotel Rental Tax – Mrs. Reaver said there remains a few hotels that are hard to get information from due to management changes and the length of time frame. CLA has been reaching out to them and Mrs. Reaver will assist to help get this moving along. Mrs. Cheri Amoss, CLA, said she has seen a little bit of movement in the past couple of days, but it is still a lot of waiting and constantly trying to email. Mr. Steve McKay questioned the human trafficking piece of this audit. Mrs. Cheri Amoss said there is two pieces to that. One, is the information we received from the County, the other piece, the information from the hotels to support their annual reporting. She said it is the responsiveness of the hotels which was not as troublesome the last two times she did this audit. She said it could possibly be due to COVID and turnover of employees and management.

FCPS Classical Charter Schools (FCCS) – Mrs. Reaver said we did have a meeting two weeks ago to go over all of the open items with them and then we will be working to finalize that audit and expects finalization within the next month or two.

SC&H:

FCG Fixed Asset Inventories, Accountability & Surplus – Mrs. Reaver said this audit is in draft form and it is with the different divisions and departments that we are working with for their review and management responses. She said we could possibly be voting on this report in January.

FCG ERP System (INFOR) Internal Control Review – Mrs. Reaver said she has gone through the risk assessment meetings and has discussed this project with Finance, IIT, and the CAO's Office. She said from these discussions, we are finding that INFOR is not very open to making a lot of changes for the County and therefore if our audit reflects recommendations on INFOR's part we could have a stale audit. Mrs. Reaver said she discussed the issue with SC&H and together we have decided to move forward with the planning phase focusing on internal controls over the system set by the County. Then, once we get through that process, we can determine if we would need to go further in testing or if we can stop there and issue a memorandum. Mr. Anthony DiGiulian, SC&H, said there is an opportunity to reassess how we approach Phase 2.

Special Projects and Other Work:

DFRS Staffing Operations Analysis – Mrs. Reaver said she has decided to leave this on as it continues to come up with the risk assessment; she will leave it there for the knowledge of what transpired with the Budget Department.

FCPS School Activity Funds – Mrs. Reaver said she has offered her assistance to FCPS to assist with going over reconciliations and some test work at difference schools. She said they are no longer using their third party contractor, so Mrs. Reaver would select schools and go through the school activity funds to make sure they are abiding by the policies and procedures.

Detention Center – Mrs. Reaver said another area that she has offered assistance is the detention center bank reconciliation testing; spot checking every other month to be sure that they have some sort of mitigating control.

Follow Ups:

- FCG CIP – Mrs. Reaver said the policies and procedures for Procurement & Contracting are being placed into County Code. She said those policies and procedures are with the County Attorney's Office and then they will go to the County Executive's Office and to County Council for finalization. She said it is a bit of a process because it is a legislative process of code changes, so it does take some time.
- FCPS PII – Mrs. Reaver said we are still waiting for the PII policies and procedures from FCPS as they continue to look into resources such as the County did. She said she will continue to work with FCPS to help them in any way she can.
- FCG Fleet Services – Mrs. Reaver said she had a meeting on November 4th, where they went over all of the open recommendations and came up with a game plan for resolution with the exception of one, which she said they are discussing in another meeting later today. She said hopefully she will be able to tie some of those things up in the next few months.
- FCG Ambulance Billing – Mrs. Reaver said she is waiting to hear back from Steve Leatherman and Shirl Ollie on how they've set up the meetings and trainings. She said they are also looking to move to third party vendors for the ambulance billing.
- FCG CCRC/Montevue – Mrs. Reaver said she plans to give two more months on this as we are waiting for two (2) items to clear in early FY23.
- FCC Procurement & Contracting – Mrs. Reaver said there are a couple of items still open, so she will be following up again in two months.

Special Projects and Other Work:

Mrs. Reaver said she is planning to discuss a few new task orders as we get through the holidays now that her risk assessments are wrapping up. She said she also had a great risk assessment discussion with FCC and has a good, solid plan of what the next few risk areas are there to audit.

Fraud Hotline

FCG – None.

FCC – None.

FCPS – None.

Other Business

Risk Assessments – As Mrs. Reaver stated earlier, she is finished with the County’s risk assessments and now will be going back through all of her notes with all of the divisions and departments and putting together a first draft and sharing with the IIAA over the next few months. She said she has met with FCPS Finance, but holding off on meeting with the other divisions until 2022. Mrs. Reaver said she was able to meet with FCC’s Senior Leadership Team and discussed where some major risk areas were. She said she will be meeting with Dr. Powell, FCC Interim President, later today to discuss those few areas and then in January or February, she will be having more open discussions on some of the other areas with the other divisions.

IIAA Membership - Mrs. Reaver said we do still have an open seat and after reaching out to a few local firms, she did have a response from one local firm, Linton, Schaefer, Warfield, Garrett (LSWG), as one of the partners is possibly interested. She said this person does have experience in state and local government and non-profit audits, so they would be a great asset to the IIAA.

IIAA Meetings - Mrs. Reaver said the meeting format for December will be virtual again, however, the County is set to open to the public in January. She said she has met with our IIT Division to discuss a hybrid format for the meetings moving forward. Mrs. Reaver said we will try utilizing TEAMS once again as it seems to be a little more, friendly for hybrid meetings. She said she will be working with Mrs. Dawn Reed to get IIAA member feedback from today’s meeting on how TEAMS has worked for each member. Mrs. Reaver reminded the IIAA the next meeting will be December 15, 2021.

At 8:48 a.m., Mr. Jon Alexander adjourned the November 17, 2021 IIAA meeting.

Respectfully Submitted,



Dawn Reed
Coordinator, Internal Audit