

**INTERAGENCY INTERNAL AUDIT AUTHORITY
OPEN SESSION MINUTES
DECEMBER 15, 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, Shaun Jones, Steve McKay, and Dr. April Miller

IA Staff: Tricia Reaver and Dawn Reed

FCC Staff: Amy Stakes

FCPS Staff: Amanda Baugher and Melissa Rollison

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

Contractors:

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

CLA: Sean Walker and Jonathan Griffin

SB & Company: Chris Lehman

Approval of Agenda – December 15, 2021

Mr. Jon Alexander informed the IAA and others that an emergency closed session has been added and the motion will be called for at the conclusion of the open session meeting. With that, Dr. April Miller made a motion to accept and approve the agenda for December 15, 2021, seconded by Mrs. Nicole Prorock. All those present voted in favor (Mrs. Sue Johnson absent). The motion passes.

Approval of Open Meeting Minutes – November 17, 2021

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

Status of Assignments

CLA:

FCG Receipts Transactions – Mrs. Reaver said there is only one open item and she is hoping to have that draft out to the County in early January for their review and then we would be looking to vote upon that report in February.

FCG Financial Transactions – Mrs. Reaver said this report is with the Finance Division for their review and she will also go ahead and send this out to the IAA for their review, as it is a very lengthy report, about 60 pages. She said we may be able to vote on the report in January, if not, February, depending on the timing of the County's review.

FCG Hotel Rental Tax – Mrs. Reaver said she did meet with Mrs. Cheri Amoss, CLA to get an update and said we still have not been able to get a response from the Red Horse Comfort Inn. She said she may have to make a trip in person to speak with the general manager if she is unable to contact them by any other way. Mrs. Reaver said this is the only hotel we've had zero response from, all other hotels seem to be in different stages. She said CLA is working on those open items/hotels, but they are having trouble getting support from some of the old management companies. Mrs. Reaver said she is considering we go with the audit, put in that we were unable to obtain the information from the outdated and old management company and not audit those prior years with that particular hotel. She said we would just go ahead and audit and report on the time period in which new management is overseeing the hotel.

Mr. Steve McKay asked if this was the only audit we performed that involved interaction with commercial companies. Mrs. Reaver said this is the only one and it is State mandated, however, she has done work with some commercial entities when she worked with the Towing audit.

FCPS Classical Charter Schools (FCCS) – Mrs. Reaver said we did get a list of the final items from CLA and are waiting on a timeframe from the classical charter school on getting those final items in. Mr. Sean Walker, CLA, said he was late in getting questions over to them and that is probably the reason for a bit of their delay.

SC&H:

FCG Fixed Asset Inventories, Accountability & Surplus – Mrs. Reaver said this audit is in final draft with the County’s Management responses and is included in your packet for a vote. She said a lot of these recommendations will assist our Finance Division and Procurement and Contracting Department with keeping track of and having open communication with divisions when it comes to assets and the inventory/surplus of assets. Mr. Jon Alexander noted that it would benefit the reader if the conclusion was more substantive, but doesn’t want this to preclude the report from moving forward for vote unless anyone else has any other concerns. He said he would like to see a meaningful pointed summary which could be located in the Executive Summary. Mr. Matt Simons, SC&H, said he would work up a summary today and have it to Tricia for her review. Mrs. Reaver noted once the review was complete, the IIAA could vote on the report via email and follow up at the January meeting.

FCG ERP System (INFOR) Internal Control Review – Mrs. Reaver noted that we are currently in the planning phase of the audit to gain an understanding from project owners. We do not plan to go surpass the planning phase at this point in time. This is due to the limitations from the vendor that we believe would be put in place. She said we did have a kick off meeting and now we have some interview meetings coming up over the next few weeks and going into January.

Mrs. Reaver said she is planning and drafting the next task order for an asset accountability, inventories and surplus audit with FCC and plans to have that ready for a vote at next month’s meeting. She said this will look a little different because we are actually going to include inventories into the scope, not just inventory of assets, but inventories that are held, such as food with their dining services and items with their bookstore; but otherwise everything else will be similar to the County audit.

Special Projects and Other Work:

DPRS Staffing Operations Analysis – Mrs. Reaver said this project will be placed under review with the current year risk assessment for the County. It has been a few months since she had her risk assessment meeting with fire and rescue and would like to get an update from Chief Coe regarding their overtime and scheduling before making a decision on risk assessment placement.

FCPS School Activity Funds – Mrs. Reaver said she has started reading over the school activities fund manual and the checklist, then together with Mrs. Melissa Rollison, FCPS, they will start to work out a plan for action.

Follow Ups:

- FCG CIP – Mrs. Reaver said the policies and procedures for Procurement & Contracting are being placed into County Code. She said It's been on the list for a little while, but they do need to go through the Executive's Office and through the County Council. This area will be on the risk assessment for a potential procurement and contracting audit.
- FCPS PII – Mrs. Reaver noted that FCPS is still working on their plan for updating the policies and procedures on PII and getting that communication out.
- FCG Fleet Services – Mrs. Reaver mentioned that a few meetings with members affected by the Fleet audit have occurred and action is taking place. An emphasis in the meetings has been on ensuring that action is being taken for billing on the solid waste side of things. She said she feels comfortable that progress is moving forward.
- FCG Ambulance Billing – Mrs. Reaver said she did speak with Chief Coe last week and asked if this is an area they are still working on and how they will be communicating with the volunteers, which has been put on hold for almost 2 years due to COVID. She said we are also discussing with them how they could bring in some possible training and communication to the volunteer side.
- FCG CCRC/Montevue – Mrs. Reaver said she is on hold with CCRC/Montevue and will be following up early next year. Some of those items, especially with CCRC, are items that were not expected to come into play until Fiscal Year 2023.
- FCC Procurement & Contracting – Mrs. Reaver said she is on hold here as well as there are a couple of items still open and will be following up again in two months.

Fraud Hotline

Mrs. Reaver wanted to share, from her discussions with FCC’s Interim President Dr. Powell, that he does want to look into implementing a 3rd party monitoring entity and will be speaking to FCPS, regarding the vendor they use, Lighthouse. Mrs. Reaver said she did not have anything come in from FCG or FCPS. However, a last minute FCC hotline matter did come in late last week with additional information Tuesday evening that she will discuss in a brief, closed session today.

FCG – None.

FCC – 1; this was added

FCPS – None.

Other Business

Risk Assessments – As Mrs. Reaver stated earlier, she is planning to have the County’s risk assessment done and ready for the IIAA review in January. However, there are a few meetings that still need to take place at FCC and FCPS, then those risk assessments should be ready for review in February or March. Mrs. Reaver said these will be a “road map” for our next few task orders. She said she would like to see where we get with the FCPS School Activity Funds before moving ahead with the next task order for FCPS and then have a discussion next month as to the next task order with the County.

IIAA Membership - Mrs. Reaver said we do still have an open seat, that she was hopeful to be able to fill. However, the partner that she was speaking to at Linton, Schaefer, Warfield, Garrett (LSWG) had further discussions with her partner group and they have some concerns with independence, due to them auditing a number of nonprofits that receive funding from the County. Mrs. Reaver said she does agree and think that was a prudent decision on their behalf.

IIAA Meetings - Mrs. Reaver said we are still hearing that we are possibly going to be opening to the public in January 2022, however at his point, we will plan to keep our January meeting virtual since there is the uncertainty. She said she is hoping to move forward with a hybrid format using Teams for future meetings. Mrs. Reaver said a hybrid model would allow us the opportunity to have people at the meeting, call in, or be in their offices or at home. She said the next meeting is scheduled for January 19, 2022.

At 8:43am, Mr. Jon Alexander called for a motion to end the open session and go into a closed session in accordance with 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 of this closed session discussion will be a Frederick Community College hotline matter.

Dr. April Miller made the above motion, seconded by Mr. Steve McKay. All those present were in favor (Mrs. Sue Johnson absent). The motion passes.

Respectfully Submitted,



Dawn Reed
Coordinator, Internal Audit