

**INTERAGENCY INTERNAL AUDIT AUTHORITY
OPEN SESSION MINUTES
JANUARY 19, 2022**

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, Dr. April Miller, and Sue Johnson

IA Staff: Tricia Reaver and Dawn Reed

FCC Staff: Dr. Thomas Powell

FCPS Staff: Amanda Baugher and Melissa Rollison

FCG Staff: None

Contractors:

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

CLA: Sean Walker, Cheri Amoss, Jonathan Griffin, and Lauren Bradford

SB & Company: Bill Seymour and Chris Lehman

Approval of Agenda – January 19, 2022

Dr. April Miller made a motion to accept and approve the agenda for January 19, 2022, seconded by Mrs. Nicole Prorock. All those present voted in favor (Mr. Steve McKay absent). The motion passes.

Approval of Open Meeting Minutes – December 15, 2021

Mrs. Nicole Prorock made a motion to accept and approve the IIAA open meeting minutes of December 15, 2021, as submitted, seconded by Dr. April Miller. All those present voted in favor (Mr. Steve McKay absent). The motion passes.

Approve of Closed Meeting Minutes – December 15, 2021

Dr. April Miller made a motion to accept and approve the IIAA closed meeting minutes of December 15, 2021, as submitted, seconded by Mrs. Nicole Prorock. All those present voted in favor (Mr. Steve McKay absent). The motion passes.

Status of Assignments

CLA:

FCG Receipts Transactions – Mrs. Reaver said this audit has been completed and the report is in draft form. She said she has approved it and the report has been turned over to Treasury and Finance for their review and management responses. Mrs. Reaver said once she receives it back, she will get it out to the IIAA.

FCG Financial Transactions – Mrs. Reaver said this report is also in draft and is with Finance now for their review. She said they have been hit with more COVID influx issues, so the review has been on hold, but hopefully they will be able to get back to it within the next couple of weeks.

FCG Hotel Rental Tax – Mrs. Reaver said we are still waiting on one hotel to respond and she was not able to contact them last week, so she will be trying to reach out to them to see if she can get in touch with a manager. She said this hotel is however, turning in their monthly paperwork to the County's Finance Division.

FCPS Classical Charter Schools (FCCS) – Mrs. Reaver said the charter school did get back to us in mid-December, with the open items. She said CLA is going through that list of open items now. Mr. Sean Walker, CLA, confirmed receipt of the list and said they are in the drafting process of the report.

SC&H:

FCG Fixed Asset Inventories, Accountability & Surplus – Mrs. Reaver said this report is final and ready for a vote. She said an email vote was taken but did not receive 100% response, so she would like to have a revote now.

Dr. April Miller made a motion to accept, approve, and release as a public document, Audit Report #21-08, Frederick County Government Fixed Asset Inventories, Accountability and Surplus, seconded by Mrs. Sue Johnson. All those present voted in favor (Mr. Steve McKay absent). The motion passes.

FCG ERP System (INFOR) Internal Control Review – Mrs. Reaver said we have obtained some additional information and documentation from IIT, Finance and the Procurement and Contracting (P&C) Department. She said P&C already had a third party come in and look at INFOR for P&C transactions. That entity provided recommendations for updates and changes. Mrs. Reaver said a lot of what they recommended were items that we would suspect a report from SC&H would result in. She said she has reached out to the P&C Department to request a follow up on that report to determine what recommendations have been implemented or planned. Mrs. Reaver said after speaking with IIT and Finance, we have found the County has already documented all known holdbacks within INFOR. She said they have put together documentation on how they are working through mitigating controls for some of these holdbacks. Mrs. Reaver said due to this new information, we have decided to not go any further with this audit spending unnecessary budgeted funds. She said she has requested that SC&H put together a memorandum of their understanding and recommendations in their discovery to complete the gap in the reporting.

FCC Asset Inventories, Accountability and Surplus – Mrs. Reaver said this task order was emailed last Friday along with the response from SC&H and is ready for and IIAA vote. She mentioned that this task order does mirror the County's but it adds the inventories factor due to the College holding inventories within the bookstore and the dining area.

Mrs. Nicole Prorock made a motion to accept and approve Task Order #22-03, Frederick Community College Asset Inventories, Accountability and Surplus and to issue to SC&H, seconded by Mrs. Sue Johnson. All those present voted in favor (Mr. Steve McKay absent). The motion passes.

Special Projects and Other Work:

DFRS Staffing Operations Analysis – Mrs. Reaver said this project will be coming off of the meeting list as it will be placed under review with the current year risk assessment for the County

FCPS School Activity Funds – Mrs. Reaver said she and Mrs. Dawn Reed will be meeting with Mrs. Melissa Rollison, FCPS, and her team next Friday to discuss assisting FCPS with a testing plan moving forward. Once a plan is in place, she will bring it back to the IIAA next month.

Follow Ups:

- FCG CIP – Mrs. Reaver said this will remain until the code is written into policy and procedure.
- FCPS PII – Mrs. Reaver said she did speak with their Finance team and they are looking to contract an attorney to assist with updating the policies and procedures and are looking to have that person in place by the end of the current calendar year.
- FCG Fleet Services – Mrs. Reaver said they are getting everything situated with the open item with the landfill and will be looking to remove this once she does one final follow up between Finance, Solid Waste, and Fleet to ensure that billing has occurred.
- FCG Ambulance Billing – Mrs. Reaver said she spoke with DFRS and they are looking for meetings to commence after the first quarter of 2022. She said staffing has been an issue with COVID currently.
- FCG CCRC/Montevue – Mrs. Reaver said we are continuing to hold with CCRC/Montevue until Fiscal Year 2023.
- FCC Procurement & Contracting – Mrs. Reaver said she is expecting resolution in the fall of 2021. She said they are holding until they have a new president in place. Dr. Thomas Powell, FCC's Interim President, said they will be sending out an RFP to see if they can get anyone locally that would do a number of trade jobs, however, the Board of Trustees is very close to appointing a new president and thinks that decision is best left to that individual.

Fraud Hotline

FCG – None.

FCC – None. Mrs. Reaver mentioned that the issue discussed last month has been resolved.

FCPS – None.

Other Business

Risk Assessments – Mrs. Reaver went over the high risk section of the FCG risk assessment during the meeting. The assessment was discussed regarding changes from the prior year and potential additions. It was agreed that the IIAA will continue to review and discuss again next meeting. The FCC and FCPS risk assessments are still in process.

IIAA Membership - Mrs. Reaver said we do still have an open seat. She asked everyone to continue thinking of potential members.

IIAA Meetings - Mrs. Reaver said the County is not opening until April 4, 2022, so our monthly meetings will remain virtual via Teams. We would also like to continue to provide a virtual/hybrid meeting option once the County does open.

At 9:02 a.m., Mr. Jon Alexander ended and adjourned the January 19, 2022 IIAA meeting.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Dawn Reed", with a stylized flourish at the end.

Dawn Reed
Coordinator, Internal Audit