

**INTERAGENCY INTERNAL AUDIT AUTHORITY
OPEN SESSION MINUTES
FEBRUARY 16, 2022**

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

IAA Members: Chair Jon Alexander, Shaun Jones, Steve McKay, Dr. April Miller, and Sue Johnson

IA Staff: Tricia Reaver and Dawn Reed

FCC Staff: Amy Stakes

FCPS Staff: Amanda Baugher and Melissa Rollison

FCG Staff: Lori Depies and Melanie Thom

Contractors:

SC&H: Matt Simons and Sam Fitzgerald

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

SB & Company: Bill Seymour

Approval of Agenda – February 16, 2022

Mrs. Sue Johnson made a motion to accept and approve the agenda for February 16, 2022, seconded by Dr. April Miller. All those present voted in favor. (Mrs. Nicole Prorock absent). The motion passes.

Approval of Open Meeting Minutes – January 19, 2022

Mr. Shaun Jones made a motion to accept and approve the IAA open meeting minutes of January 19, 2022, as submitted, seconded by Dr. April Miller. All those present voted in favor with Mr. Steve McKay abstaining (Mrs. Nicole Prorock absent). The motion passes.

Status of Assignments

CLA:

FCG Receipts Transactions – Mrs. Reaver said the draft report for this audit is complete and is now with finance for review. She said this report will be voted on at the March meeting.

FCG Financial Transactions – Mrs. Reaver said this report is in the packet and ready for a vote from the IAA.

Mr. Shaun Jones made a motion to accept and approve Rpt. #21-02, with the one discussed edit, Frederick County Government Financial Transactions and to issue as a public document, seconded by Dr. April Miller. All those present voted in favor (Mrs. Nicole Prorock absent). The motion passes.

FCG Hotel Rental Tax – Mrs. Reaver said the fieldwork is in process, however, one hotel continues to be non-responsive to the numerous requests both by phone and email. It was discussed by the IAA and agreed that a finding should be noted that this hotel has failed to respond to the audit request in a timely manner.

FCPS Classical Charter Schools (FCCS) – Mrs. Reaver said she has reviewed a preliminary draft and is now waiting for CLA to make the updates to the draft. Mr. Sean Walker confirmed.

SC&H:

FCG ERP System (INFOR) Internal Control Review – Mrs. Reaver said we have decided to not proceed with the testing of this audit, as the planning work from SC&H determined it not necessary and she did not want to utilize more County funds. She said the Finance Division, IIT, and Procurement and Contracting Department have recognized the issues and have put together their procedures on how to work through some of those issues. Mrs. Reaver said SC&H is now drafting a memorandum of their recommendations to the County to address this.

FCC Asset Inventories, Accountability and Surplus – Mrs. Reaver said a kickoff meeting was held February 1, 2022. She noted that SC&H is obtaining initial items needed and will begin scheduling the planning work and interviews.

Special Projects and Other Work:

FCPS School Activity Funds – Mrs. Reaver said she and Mrs. Dawn Reed started the week of February 7th, going to high schools helping FCPS with school activity funds test work. She said they have completed five high schools to date, and once finished with the high schools, then move onto middle and elementary schools. Mrs. Reaver noted the school activity funds for high schools are high volume of work for the administrative secretary and said there is justification there for FCPS to budget for some full-time financial secretaries at some of the schools.

Follow Ups:

Mrs. Reaver said the following follow ups have not had any change since the last meeting:

- FCG CIP – Mrs. Reaver said this will remain until the code is written into policy and procedure.
- FCPS PII –The FCPS Finance team is 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 – Open recommendations and action items needed to close this out are expected to occur in April or May 2022.
- FCG Ambulance Billing – DFRS is looking for meetings to commence after the first quarter of 2022. As staffing has been an issue with COVID over the past 2 years.
- FCG CCRC/Montevue – Awaiting finalization of open recommendations to occur Fiscal Year 2023.
- FCC Procurement & Contracting – Holding until FCC has a new president in place. At our January meeting 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.
- FCG Incident Response & Disaster Recover – Mrs. Reaver said a follow up letter was sent out on February 1, 2022, requesting their responses by March 1, 2022.

Fraud Hotline

FCG – None.

FCC – None.

FCPS – None.

Other Business

Risk Assessments – Mrs. Reaver and the IIAA continued to discuss the FCG risk assessment high and med risk sections. Mrs. Reaver said she will have the final draft FCG risk assessment and the FCPS draft risk assessment for the March meeting. She said the FCC risk assessment will follow afterwards.

IIAA Membership - Mrs. Reaver said we do still have an open seat as her contacts at a local firm did not work out due to an appearance of independence issue. She asked that everyone continue to look for possible volunteers to serve. Mrs. Reaver said that Mrs. Joyce Grossnickle will be advertising in the Frederick News Post for this open seat as well as Mr. Jon Alexander's seat, which is set to expire June 30, 2022. Mrs. Reaver asked Mr. Alexander to submit his letter of interest and resume if he is interested in continuing to serve on the IIAA.

IIAA Meetings - Mrs. Reaver said we will continue to hold our meeting through Teams as the County is not scheduled to re-open until April 4, 2022. She also noted that our next meeting is set for Wednesday March 16, 2022.

At 9:08 a.m., Mr. Jon Alexander ended and adjourned the February 16, 2022, IIAA meeting.

Respectfully Submitted,



Dawn Reed
Coordinator, Internal Audit