

**INTERAGENCY INTERNAL AUDIT AUTHORITY  
OPEN SESSION MINUTES  
June 19, 2013**

The Interagency Internal Audit Authority (IIAA) met at 8:00 a.m., June 19, 2013, in the Winchester Room, Winchester Hall, 12 E. Church Street, Frederick, Maryland. Those present were:

IIAA Members: Allan Joseph (Chair), Steven Darr, Shaun Jones, Commissioner Blaine Young, and Doris White

IA Staff: Kelly Hammond and Dawn Reed

County Staff: None

FCPS Staff: Dr. Zakir Bengali, PhD (Board of Education member)

FCC Staff: None

External Auditors: None

Introductions

Mr. Allan Joseph opened and called the meeting to order at 8:03am.

Approval of Open Minutes

Mr. Shaun Jones made a motion to approve the open meeting minutes of May 15, 2013, as written, seconded by Ms. Doris White. With Mr. Steven Darr abstaining, all other members were in favor and the motion passed unanimously.

Vice Chair Position

With the resignation of Ms. Carrie Gill, a new vice chair was nominated and elected. Mr. Jones nominated Mr. Darr for the position of Vice Chair, seconded by Ms. White. Mr. Darr accepted the nomination. All were in favor and the motion passed unanimously.

Vacant Board Position

Mr. Joseph said also due to the resignation of Ms. Gill, we need to fill her vacant position with a new member. He said in the packet is the resume of Mr. Robert Kimble whom he and Ms. Hammond have interviewed and both are impressed. Mr. Joseph said Mr. Kimble does have the technical skills needed to serve on the IIAA and recommends that the Board looks upon his application as favorable. Mr. Darr made a motion to accept the application of Mr. Kimble and to recommend him to the BoCC for appointment, seconded by Ms. White. All were in favor and the motion passed unanimously.

Approved BoCC Budget

Mr. Joseph said the budget has been approved by the BoCC. Ms. Hammond said that nothing has changed with our budget since last approved by the IIAA. She said we did make some journal entries to correct account charges but "in total" we are under budget in our operating accounts. Ms. Hammond said we will be carrying forward the contracted services because we wrote a task order for the Fire and Rescue Audit. Ms. Hammond said our total budget is \$634,425.

Strategic/Annual Plan

Ms. Hammond presented a draft of the 2014 Audit Plan. Once Ms. Hammond gave additional background information, the IIAA decided and agreed that Ms. Hammond would restructure the Audit Plan to include prioritization and risk level of each audit suggested. Mr. Joseph said he would like to see the criteria used for ranking each audit as well. No motion was made to accept the draft plan as written. However, once Ms. Hammond has made the changes to the audit plan, she will forward it to Mr. Joseph, who will distribute to the IIAA and a vote will occur through email notifications.

Follow-Up Report Format

Ms. Hammond said in the past, the Internal Audit Division would send out a follow-up memo approximately six months after the initial audit was conducted to see if any of the recommendations had been implemented. She said she would like to recommend a change in that process by not issuing follow-up memos but to issue a report that included all the information in a more "easy to read" and "easy to understand" status report format. Ms. Hammond said the report will include the name of the audit and the issue date, all the recommendations made, implementation date, in process of implementation, or no implementation, follow-up date, and any comments. She said she believes this format will also ensure that nothing falls through the cracks or gets overlooked. Ms. Hammond

said we will provide this status report to the IIAA every six months. The Authority agreed to change the way follow-up reports are issued and to update the status report format.

Status of Assignments

Ms. Kelly Hammond said the Fire and Rescue Apparatus Replacement Fund Audit was added to the first page of the report and has a budget of 380 hours. She said the Sheriff's Property Room audit work has been completed and in internal draft was submitted for review. After the review and quality control is complete, an exit conference will be scheduled to discuss the issues and recommendations. Ms. Hammond said SC&H submitted an initial draft report which she reviewed and returned for a redraft. She said an exit conference will be scheduled with FCPS to discuss the issues and recommendations and a draft report will be presented to the Authority after we receive FCPS' written response to the recommendations. Ms. Hammond said Cotton and Company completed their report which she reviewed and an exit conference has been scheduled for Monday. She said once we received FCC's written response to the recommendations the report will be presented to the Authority for approval. Ms. Hammond said she expects that report to be ready for the July meeting.

Status of Hotlines

None

Other Business

At the time of 9:35am, Mr. Joseph asked for a motion to close the open session and go into a closed session. Mr. Darr made a motion to go into a closed session in accordance with Maryland Annotated Code Government Article §10-508 (a) (1), to discuss: (i) the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom it has jurisdiction (topic: personnel and administrative matters). The motion was seconded by Mr. Jones. All were in favor and the motion passed unanimously.

The open session of the meeting ended at 9:35am.

Respectfully Submitted,

Dawn Reed  
Administrative Coordinator