

FULTON COUNTY AUDIT COMMITTEE

MEETING COMMITTEE MINUTES

March 20, 2018

Fulton County Government Center
141 Pryor Street
4th Floor Conference Room
Atlanta, Georgia 30303

MINUTES

Ratification Date: May 15, 2018

CALL TO ORDER: Chairman Bob Ellis 2:14 p.m.

MEMBERS PRESENT: Commissioner Bob Ellis, District 2
Commissioner Lee Morris, District 3
Phillip Hurd

ALSO PRESENT: Ray Turner, Deputy Director of Finance; Glen Melendez, IT Assistant Director; Anthony Nicks, County Auditor; Queena Jenkins, Audit Manager; Robbie Bishop-Monroe, Audit Coordinator; Danielle Moore, Assistant Audit Manager; Tracee Shields, Auditor III; Tamika Churchill, Auditor III; Ebony McNeill, Investigative Analyst; Trina Alston, Title VI Coordinator; Anna Howell (Roach), Chief Strategy Officer; David Lowman, Staff Attorney; Jenn Thomas, Chief of Staff to Commissioner Morris; and Fred Hoffman, Chief of Staff to Commissioner Ellis.

INTRODUCTION:

ADOPTION OF AGENDA: A call was made by Commissioner Bob Ellis, to approve and adopt the agenda. Phillip Hurd motioned to adopt and it was seconded by Commissioner Morris. **The motion passed by the following vote:**

Yeas: 3

Nays: 0

RATIFICATION OF MEETING MINUTES: The meeting minutes from November 28, 2017 were reviewed, accepted and approved with no changes. **A motion was made by Commissioner Morris to approve and seconded by Phillip Hurd to accept the minutes as presented. The motion passed by the following vote:**

Yeas: 3

Nays: 0

Anthony Nicks highlighted that the Chief Strategy Officer, Anna Roach was present at the meeting to oversee discussions related to the Courts.

The final minutes will be placed on the Office of the County Auditor's website.

The meeting initially started without a quorum because Cheryl Blazej and Commissioner Ellis were not present. In the interim, the agenda was adopted by Commissioner Morris. During this brief period of time, there was a discussion regarding a potential nomination from Commissioner Darnell to appoint a citizen member to the Audit Committee. When Commissioner Ellis arrived to the meeting, the call to order was presented (5 minutes and 47 seconds after the start of the meeting).

OLD BUSINESS:

Whistleblower Hotline/Fraud Hotline Update

Ms. Shields reported that the Whistleblower Hotline has ninety-two (92) cases with 19 cases in process and seventy-three (73) closed cases.

Phillip Hurd inquired about cases with the case type noted as "falsification". Tracee Shields reported that one case related to a situation where a reporter indicated there was falsification of a document where an accident was reported. She indicated that a person in Public Works took an alternate route to arrive at her destination which appeared to be an issue, however, when it was researched it was determined that although the employee took an alternate route, they were traveling to their authorized destination. After the department director investigated the incident, it was further determined that the whistleblower claim of was not substantiated.

Commissioner Morris inquired about other cases that may be high profile. Nicks reported that there were 2 cases related to loss of spending and there is extreme caution in handling the cases because of the litigation/prosecution that may be involved. There is 1 case where prosecution is involved where an arrest warrant was issued and 1 case where there could be the likelihood of prosecution.

Probate Court

Glenn Melendez reported that the project is going well, however there is an issue related to the incorrect mapping of specific fees to the correct general ledger and bank accounts similar to state court. He discussed that there are 153 fee codes that have been reviewed and will be remapped (re-configured). In early April 2018, there will be testing on the remapping of the accounts to ensure they are mapped accurately. The May 2018 transactions should reflect the new remapping with the first month-end reconciliation occurring in early June 2018.

Commissioner Ellis inquired whether all locations are utilizing the automatic credit card processing and Glenn Melendez indicated that he will follow-up to confirm. Glenn Melendez

indicated that training will occur in mid-April, therefore in May, the daily reconciliation process will be smoother.

Commissioner Ellis inquired about the visibility into accounts to ensure the amounts are transmitted into the general fund. Ray Turner indicated that the cash receipts were sent monthly and the Finance department received a large payment towards the end of December 2017 as a reconciling "catch up" deposit submission.

There was an inquiry related to the use of the unlicensed tool (QuickBooks) that was noted as an audit finding. Glenn Melendez indicated that the unlicensed tool issue has been remediated.

Whistleblower Complaint Policy and Procedures

There was a discussion noting that it has been confirmed that the whistle blower complaint policies cases can be approved by the audit committee. A motion was made to adopt the whistleblower policies by Philip Hurd and seconded by Commissioner Morris. The motion passed by the following vote:

Yeas: 3

Nays: 0

NEW BUSINESS

Internal Audit Updates

Home Program

Ms. Moore stated that the draft report of the HOME program is complete. This report will discuss the effectiveness of the HOME program. An exit conference will be scheduled with the department.

IT Follow -up

Ms. Jenkins reflected that the IT follow up audit is complete and the exit conference is complete. Anthony Nicks commented that the Chief Information Officer (CIO) will be out of the office for an extended period of time and she inquired if the management response could be submitted upon her return to allow her an opportunity to personally address the audit findings. There was a discussion surrounding the extended period of time which may be longer than 30 days to issue the report due to this potential request. Phillip Hurd discussed that his recommendation is to issue the report. Anthony Nicks agreed and also indicated that he is scheduled to meet with the County Manager to discuss the report issuance.

Commissioner Morris inquired about the items within the report and Philip Hurd inquired about the release of the report. Commissioner Ellis inquired about the purpose of the report and Anthony Nicks discussed that the report was a follow up of the findings noted in prior audits.

It was discussed that it should be determined if a quality response to audit findings can be provided in the absence of the (CIO). Commissioner Ellis indicated that the response should be submitted in approximately 60 days. Anthony Nicks indicated that the response time should be reasonable but 60 days may be a longer time than expected. Commissioner Morris expressed

concerns about the time delay in providing the response. Anthony Nicks indicated that a delayed response is outside of the realm of the normal procedures. Anna Roach communicated that designated staff may gather responses for the audit report and the approval can be provided when the Director returns.

Travel and Training

Danielle Moore reported that we are assessing the effectiveness and administration of the travel and training program. The travel and training audits are currently in the fieldwork stage and have received information from the accounts payable department, therefore fieldwork should be completed within a week and a draft report will follow soon thereafter.

Georgia Security and Immigration Compliance Act

The audit team is reviewing the contractors' compliance with state immigration laws and has selected two contractors to review. One onsite review was performed and there is one review scheduled in the next week.

Clerk of Superior Court Cash Management

The audit team is finalizing the planning phase of the Clerk of Superior Court audit. The audit team is expected to begin fieldwork within the next week to perform the walkthrough of the Clerk of Superior Court cash management area.

Grady Memorandum of Understanding (MOU)

The fieldwork will begin for the Grady MOU Compliance Review which will provide assurance of Fulton County's uncompensated health care costs. The fieldwork will commence on March 26, 2018. The Fulton County Office of the County Auditor team will work alongside the audit firm of Banks, Finley and White.

Travel Card and Purchasing Card Data Analysis

The audit team completed the travel and purchase card analysis for 2017 and initiated working on the 2018 analysis, however there are some IDEA connection issues. Anthony Nicks stated that every month the IDEA product is required to be reloaded and the issue is expected to be resolved by the Information Technology department. There was a discussion surrounding the technical issues with the IDEA audit software and it was mentioned that an error message occurs every month and it appears to be an issue with the server connection.

Senior Multipurpose Center Cash Management

Commissioner Ellis inquired about an update on the Senior Center implementations. Danielle Moore indicated that a corrective action plan has been provided by the department and a follow-up review will be conducted May 2018.

Tax Assessor

Commissioner Morris inquired about the status of the report related to the Tax Assessor's Review conducted by the Fulton County Performance Review Board. Anthony Nicks indicated that the status is unknown at this time.

Juvenile Court Cash Management

There was a discussion related to the court administration and it was communicated that the Chief Judge changed but the administration is still in place.

2018 Tentative Audit Schedule

The 2018 tentative audit plan was presented. There were discussions surrounding continuing cash management audits in the Courts and conducting follow-ups to ensure implementation of recommendations. Also, there was a discussion about the proposed review of the Airport. Additionally, clarification was provided to distinguish the audits from the Title VI reviews indicated on the audit plan. Members also provided input for potential future audits, to include a review of the contracts at the Fulton County Jail, specifically the Johnsons Control and medical contract. In addition, there was a discussion regarding cash management audits for other justice agencies such as the Sheriff's and District Attorney's Office.

Risk Assessment

Robbie Bishop-Monroe led a discussion regarding the risk assessment. The risk assessment was developed and feedback from the audit team, Chief Financial Officer, County Manager, and Brigitte Bailey (Director, Customer Experience and Solutions) was obtained. The purpose of the risk assessment is to identify the levels of risk (high versus low) and prioritize audits for various departments. The planned logistics related to the roll out of the risk assessment was discussed. The benefits of the risk assessment include enhancing the County's mission, mitigating any identified risks, determining risk levels and highlighting brand awareness for areas of risk. Commissioner Ellis asked who will be required to complete the risk assessment and it was communicated that it would be required by the department heads. Anthony Nicks mentioned that the County Manager will promote the risk assessment to garner support by department heads.

Anna Roach recommended that the questionnaire be prepopulated with identifiable information to expedite the completion of the assessment (i.e. number of employees, federal/state funding and number of purchase cards).

Annual Report

The Annual Report for year ended 2017 was presented and discussed. Various topics such as costs savings (\$37.5 million), whistleblower hotline, 2017 accomplishments and a memorial page in memory of the late Commissioner Garner were discussed. There was an inquiry related to the distribution of the annual report and it was communicated that it will be posted online.

Other Business

Anthony Nicks announced that Danielle Moore passed the Certified Fraud Examiner (CFE) exam and Ebony McNeill is preparing to take the CFE exam.

In addition, the office will be undergoing minor improvements to address the sound proofing concerns to enhance confidentiality. In the interim, white noise machines have been purchased to mitigate any sound proof issues.

Philip Hurd complimented on the growth and achievements of the audit office and Commissioner Morris agreed to the comment.

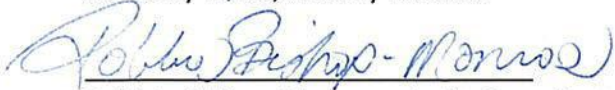
ADJOURNMENT

There being no further business, a motion was made by Commissioner Ellis to adjourn and the meeting adjourned at 3:08 p.m.

Respectfully submitted,



Anthony Nicks, County Auditor



Robbie Bishop-Monroe, Audit Coordinator