

FULTON COUNTY AUDIT COMMITTEE MEETING

October 9, 2023

Fulton County Government Center
4th Floor
Atlanta, Georgia 30303

MINUTES

Ratification Date: January 11, 2024

CALL TO ORDER: Commissioner Bob Ellis 12:00 p.m.

MEMBERS PRESENT: Commissioner Bob Ellis, District 2
Chairman Robb Pitts, At Large
Robert Koncerak, Citizen Member
Ambuj Jain, Citizen Member

ALSO PRESENT: Anthony Nicks, County Auditor; Queena Jenkins, Deputy County Auditor; Shauna Herbert, Audit Manager; Tracee Shields, Auditor III; Jonnah Williams, Auditor III; Christine McClain, Auditor II; Trina Alston, Title VI Coordinator; Ebony Johnson-Battle, Investigative Analyst; Sharon Whitmore, Chief Financial Officer. PJC Group, Cherry Bekaert Advisory, and Department of Finance.

ADOPTION OF AGENDA: A call was made by Commissioner Bob Ellis to approve and adopt the agenda at 12:05 a.m. The motion was seconded by Chairman Robert Pitts.

The motion passed by the following vote:

Yeas: 3

Nays: 0

RATIFICATION OF MEETING MINUTES: The meeting minutes from July 13, 2023, were reviewed, accepted and approved. **A motion was made by Commissioner Bob Ellis, to approve and seconded by Chairman Robert Pitts to accept the minutes as presented.**

The motion passed by the following vote:

Yeas: 3

Nays: 0

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

NEW BUSINESS:

Anthony Nicks, County Auditor, introduced Cherry Bekaert, the outside accounting firm conducting the procurement review, and they provided an overview of their team. Christian Fuellgraf, Cherry Bekaert, discussed the approach for the project, that it would entail a review of common practices in the public sector, as well as potential risks and any opportunities to improve those risks. Revenue growth and revenue enhancement will also be reviewed. Paul Folkers, Cherry Bekaert, reported that they interviewed 24 County employees, including leadership, administrative staff, and constitutional officer departments. The firm was successful in conducting interviews for nine out of the ten departments selected. Cherry Bekaert further discussed the approach to the project, including the review of organizational policies and procedures surrounding contracts and a review of procurements throughout the entire process, that resulted in a contract. Mr. Bob Koncerak, citizen member, inquired about the nine departments interviewed and the one that was not. Cherry Bekaert responded that they were able to meet with the following departments or agencies: Finance, Audit, Procurement, Budget, Registration and Elections, State Court, Grants Management, County Attorney, Superior Court, Information Technology, Police Department, and the Sherriff's Office. They were not able to meet with the District Attorney's Office. Chairman Pitts inquired about the reason they were not able to meet with them and Mr. Nicks stated there were scheduling conflicts and lack of responsiveness. Chairman Pitts asked if it was necessary to meet with the District Attorney's Office, Mr. Fuellgraf advised that speaking with the District Attorney would be beneficial.

Mr. Koncerak asked if this was a sample of departments or a reflection of departments with the highest budgets. Mr. Fuellgraf confirmed that the departments selected were a cross section of a sample. Mr. Koncerak further inquired about whether this was a comprehensive review across all County departments. Mr. Fuellgraf advised that this project is not meant to be a deep dive but rather a high-level review, identifying areas of risk. Mr. Nicks also advised that the audit came about due to a concern about whether departments were following the purchasing policies.

Mr. Fuellgraf advised that the three areas of focus were the people, processes and technology. Mr. Folkers stated there was a consensus of trust in the procurement process amongst County employees. However, there was a concern regarding redundant roles and responsibilities and the use of older technology aiding redundancy and not allowing staff to be as efficient possible. Additionally, there was a consensus across departments regarding the ability to collaborate with the procurement department and the desire for staff to undergo more training to increase understanding of the processes. Mr. Folkers informed the group of a general concern amongst the departments regarding the constitutional officer's ability to exercise independent authority to make their own decisions regarding procurement. He also advised that this concern would be considered an area of risk and the lack of transparency could create issues.

Mr. Fuellgraf acknowledged there was a lack of mutual visibility in the annual procurement plan between the various departments and procurement. There were also concerns about the time frame between receipt of documents and award of the contract, in addition to concerns regarding ways to improve the contract renewal process. Mr. Ambuj Jain, citizen member,

asked who the constitutional officers were; Ms. Whitmore, Chief Financial Officer, advised that the constitutional officers consist of the Sheriff, the Probate Judge, the Tax Commissioner and the Clerk of Superior and Magistrate Court. Mr. Jain expressed concerns regarding the lack of transparency amongst the constitutional officers. Ms. Whitmore advised that three of the four constitutional officers utilize the procurement process more often than not, although when time is a significant factor, these departments exercise their authority and do not utilize the County's procurement process.

Mr. Fuellgraf discussed the interpretation of county attorneys regarding constitutional officers. Furthermore, after meeting with the County Attorney, it was determined that a judge would make the final interpretation regarding the authority of constitutional officers.

He also discussed process and technology challenges and advised that the County's AMS system causes issues with the process. He further added, the County also uses BidNet for their procurement needs, which is a more efficient system. Mr. Fuellgraf further expressed concerns with policies and procedures not being properly documented and possible missed opportunities in grant funds. In comparison to other municipalities of this size, Fulton County receives a significantly lower amount of funding and there appears to be opportunities for revenue enhancement. Ms. Whitmore informed the group that the Finance Department will be bringing forth a request to upgrade the system currently in place. Christian advised that upgrading the system will address most, if not all process challenges. Cherry Bekaert exited the meeting at this time.

The external audit firm PJC group joined the meeting. Ms. Coretta Stroud, Audit Supervisor, introduced the external audit team and Ms. April Battiste, Managing Partner, discussed the Single Audit. Ms. Battiste advised that the audit was completed in September and a draft report provided to the Grants Department. The three programs reviewed were the Corona Virus State/Local Fiscal Recovery Fund, Ending the HIV Epidemic and the Ryan White Program, the audit received an unmodified opinion. There was one finding related to the Corona Virus State/Local Fiscal Recovery Fund, related to subrecipient monitoring. Of the 48 subrecipients of that grant, three did not have any evidence of subrecipient monitoring.

Ms. Battiste advised that the audit is at a standstill until they can finalize the financial statement audit, which is required to finalize the single audit. Mr. Koncerak inquired about the purpose of the single audit. Ms. Whitmore and Ms. Battiste explained that local government agencies are required to undergo an audit of grant award expenditures, also known as a single audit. Commissioner Ellis inquired about the materiality associated with the three entities lacking subrecipient monitoring. Ms. Battiste did not have the information available but will provide it to the committee. She continued to provide the names of the three entities; Ignite Resource Center, the Investors Academy, and P&N (the firm managing ERAP). Commissioner Ellis questioned why P&N was listed as not being monitored, given they were being reviewed by the audit department. Mr. Nicks confirmed this review within the department, consisting of monitoring all support pertaining to the ERAP program. PJC Group will discuss the discrepancy with the Internal Audit leadership and include Dr. Roshell and Stacy Jones to determine if monitoring was in fact completed for this entity. Commissioner Ellis inquired about the two

remaining entities and the funding associated with them. Ms. Whitmore stated she would review that information and provide an update. Commissioner Ellis requested Mr. Nicks to provide PJC Group with access to the monitoring information for P&N. Ray Turner, Department of Finance, advised that the financial audit should be completed with two to three weeks.

Internal Audit Updates

Audit updates were presented by Shauna Herbert, Audit Manager. Ms. Herbert stated that the Travel and Training Audit was completed and released on September 8, 2023. The office also issued a response to Management's Response, to provide additional insight on the audit process and a disputed finding. There was a disagreement related to one of the findings, which was a repeat finding from the previous year and a violation of the policy, related to proof of training. Ms. Whitmore inquired about other forms of sufficient documentation when proof of training is not available. Mr. Nicks discussed the difficulty in the process of changing the policy. Ms. Whitmore asked if an email, a statement or survey from the vendor or employee would suffice, Mr. Nicks agreed. Mr. Koncerak inquired about the selection process for trainings and the importance of proof of attendance. Mr. Nicks expressed concern with a department's ability to disagree with a finding and the impact it has on the Internal Audit office. Ms. Whitmore requested supporting documentation for the finding; Ms. Herbert to provide.

Ms. Herbert continued the updates and indicated that the Magistrate Court Audit and the Purchase Card Follow-Up Audits are in the fieldwork stage. The Tax Assessors' Office Review of Commercial Properties Follow-Up Review is in the planning stage. Commissioner Ellis inquired if the timing of this audit could have an impact on the 2024 property values and when was it anticipated to be completed. Mr. Nicks advised that the audit may be completed in November. Mr. Koncerak inquired about the items the department needed to fix per the last audit and Mr. Nicks explained the basis of the last audit. Mr. Jain inquired about the values versus the sale price. Ms. Whitmore and Commissioner Ellis explained that the concern relates to undervalued commercial properties being sold for higher amounts and provided further discussion on the subject matter.

Purchase Card and Travel Card Continuous Review

Tracee Shields, Auditor III, shared that the analytical reviews are ongoing, using the TeamMate analytics data analysis software. The analysis for transactions occurring in the 2nd quarter have been completed, and a full comprehensive review will be conducted in conjunction with the mandated Purchase Card and Travel Card Audit.

Whistleblower Hotline/Fraud Hotline Update

Ebony Johnson-Battle, Investigative Analyst, reported that the hotline had received 15 external reports. Commissioner Ellis inquired about how the department plans to investigate external complaints. Mr. Nicks explained that the department will be taking a deeper look into external reports and further discussed the need for policies associated with the external hotline. The

discussion continued with the process involved with reports pertaining to elected officials and other department heads and concerns with notifying the departments in question. Mr. Nicks explained the process involving reports received about department heads and elected officials. Ms. Whitmore and Mr. Nicks discussed the triage and documentation process involved in the receipt of these reports. Commissioner Ellis discussed the possibility of having an independent person as the point of contact involved in the process, and Mr. Nicks explained the follow up process and how the department ensures complaints received through the Whistleblower Hotline are addressed.

Title VI

Trina Alston, Title VI Coordinator, reported that 451 language calls have been completed. Of the 451 calls, 146 were Spanish. The top department users are Juvenile Court, Magistrate Court, and Finance. Ms. Alston will research the use of the language line by the Finance Department, as it is an internal department.

OTHER BUSINESS:

Mr. Jain expressed concerns with how the self-assessment is calculated and completed. Mr. Nicks explained that the self-assessment is an assessment of the audit committee. Commissioner Ellis requested an invitation to the next meeting be sent to PCJ Group to discuss the single and financial audits. Mr. Nicks advised that he speak with the Strategy Team, regarding the agreed upon audit findings. Mr. Nicks discussed the request from another Commissioner to review the absentee ballot process and Commissioner Ellis requested the review be completed during the 2024 Presidential Election.

Mr. Koncerak expressed concerns with the Travel and Training Audit Findings and Commissioner Ellis expressed concerns with the reimbursement process involved in the Travel and Training Process. Ms. Whitmore suggested the process be changed to a full reimbursement process, which could present a hardship for the employees. Ms. Whitmore further discussed common mistakes made within the travel and training process. Ms. Whitmore will review the process in conjunction with the Internal Audit department to determine what, if any, modifications can be made to make the process less cumbersome.

ADJOURNMENT

There being no further business, a motion was made by Commissioner Ellis to adjourn and was seconded. The meeting adjourned at 2:10 p.m.

Respectfully submitted,

DocuSigned by:

Anthony Nicks

08E7CC7C63A541B...

Anthony Nicks, County Auditor

DocuSigned by:

Jonnah Williams

9BFE83A4791E4F8...

Jonnah Williams, Auditor III