



**FULTON
COUNTY**

MINUTES

FULTON COUNTY AUDIT COMMITTEE

MEETING COMMITTEE MINUTES

May 14, 2019

Fulton County Government Center
141 Pryor Street
10th Floor Conference Room
Atlanta, Georgia 30303

MINUTES

Ratification Date: September 10, 2019

CALL TO ORDER: Chairman Bob Ellis 2:05 p.m.

MEMBERS PRESENT: Commissioner Bob Ellis, District 2
Commissioner Lee Morris, District 3
Pamela McCorkle Buncum, Audit Committee Citizen Member
Robert Koncerak, Audit Committee Citizen Member

ALSO PRESENT: Anthony Nicks, County Auditor; Queena Jenkins, Audit Manager; Robbie Bishop-Monroe, Audit Coordinator; Stacy Jones, Assistant Audit Manager; Tracee Shields, Auditor III; Jonnah Williams, Auditor II; Ebony McNeill, Investigative Analyst; Jenn Thomas, Chief of Staff to Commissioner Morris; Fred Hoffman, Chief of Staff to Commissioner Ellis; Sharon Whitmore, CFO; and David Lowman, Assistant County Attorney.

ADOPTION OF AGENDA: A call was made by Commissioner Bob Ellis, to approve and adopt the agenda. Commissioner Lee Morris motioned to adopt and it was seconded by Robert Koncerak, Audit Committee Citizen Member. **The motion passed by the following vote:**

Yeas: 4

Nays: 0

RATIFICATION OF MEETING MINUTES: The meeting minutes from February 28, 2019 were reviewed, accepted and approved. **A motion was made by Pamela McCorkle Buncum, Audit Committee Citizen Member to approve and seconded by Commissioner Lee Morris to accept the minutes as presented. The motion passed by the following vote:**

Yeas: 4

Nays: 0

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

INTRODUCTION:

Anthony Nicks, County Auditor, introduced Jonnah Williams as the new Auditor II. Mr. Nicks, stated that Jonnah has a Master's degree and prior audit experience from the State of Georgia Department of Human Services.

NEW BUSINESS:

Internal Audit Updates

Stacy Jones, Assistant Audit Manager, led the discussion surrounding the Internal Audit updates.

Stacy Jones indicated that two (2) audits were completed and released since the last Audit Committee meeting. These audits were the 1) Treasury Gift Card audit; and 2) Superior Court Administration Cash Handling Procedure audit.

The audit team is finalizing two audits 1) the Georgia Security Immigration Compliance Act (pending management responses) and 2) the Grady Memorial Hospital Memorandum of Understanding Compliance Review. The Grady Hospital exit conference was conducted and the audit resulted in six (6) findings and (1) audit concern.

Anthony Nicks discussed Fulton County Government has an agreement with Grady to treat indigent patients. The staff are working in conjunction with Banks, Finley and White (BFW) to ensure Fulton County dollars are spent on actual Fulton County indigent residents. Fulton County Government provides amounts each year for indigent patients.

Robert Koncerak inquired about a rating system for the audit findings. He asked if findings are noted as material weaknesses, if so, are corrective actions for the findings submitted. There was a discussion regarding audit findings not on a rating scale, but are noted as a general finding. Anthony Nicks clarified that the Grady audit focuses on requirements related to the memorandum of understanding (MOU), however the annual financial statement audit performed by external auditors notes whether there are material weaknesses and significant deficiencies for the audit performed by the external auditors.

Pamela McCorkle Buncum inquired whether all transactions were tested? Stacy Jones communicated a sample size of ten percent (10%) was selected for testing from Banks, Finley, and White selected sample. There was a discussion surrounding whether a larger sample is selected, if there are issues noted. It was discussed that the sample size is not increased if issues are noted; however, they are reported as findings.

Additional Audit Updates are as follows:

There are three (3) audits currently in progress 1) Senior Transportation Performance Review, 2) District Attorney Cash Management Audit and 3) Tax Appraisal audit.

Commissioner Morris inquired about the tax assessor audit time table since he is receiving various inquiries. Anthony Nicks mentioned that the supporting documentation of the selected files from the Office of the Tax Assessors are being reviewed and there were challenges since there was a delay in receiving the files. Queena Jenkins discussed that a draft report is expected in June, 2019.

Pamela McCorkle Buncum inquired about the protocol if any audit committee members received media inquiries. Commissioner Ellis shared that the media inquiries should be directed to the Chair of the Audit Committee or Anthony Nicks, County Auditor.

Tracee Shields summarized the Purchase card and Travel card analysis for the first quarter of 2019. She discussed that there is a continuous review of all transactions and she provided details related to the total spend, top spending categories, and merchant codes.

There was an inquiry from Commissioner Ellis regarding the Tyler vendor and it was discussed that this expenditure was related to a user conference.

A discussion ensued surrounding whether audit findings can be rated or tiered to determine which audit findings have a higher weight. Audit findings are not rated; however, management responses are received for all audit findings and responses are evaluated to determine whether proper resolution was completed. There was a discussion surrounding various items that are included during the exit conference such as the findings, significant issues, recommendations, and corrective actions.

Robert Koncerak inquired about the external auditor and the level of involvement. It was indicated the external auditor is PJC Group, LLC Certified Public Accountants. Anthony Nicks indicated the County Auditor's office works with the external auditor and vice versa to obtain any additional information related to audits.

Whistleblower Hotline/Fraud Hotline Update

Ebony McNeill led the discussion related to the Whistleblower updates. She communicated the audit team has conducted forty-three (43) new employee orientation presentations with a total of one thousand three-hundred and two (1,302) attendees. Ebony shared there are one hundred twenty-six (126) whistleblower hotline cases, with eleven (11) cases currently in process. She also indicated eight (8) cases were received in 2019.

Commissioner Morris inquired about the reduction in whistleblower cases from 2017 to 2019. Anthony Nicks commented the decrease in cases may signal a decrease in activities being reported. It was also discussed, that the Investigative Analyst works on Whistleblower cases, as well as, audits to fully utilize her skillset and maximize employee resources.

Commissioner Morris inquired about case number one hundred and twenty-three (123) discrimination/harassment case and the anonymity notation. It was discussed, this case was not resolved due to follow up could not be completed due to the anonymity of the reporter.

Commissioner Ellis inquired if case one hundred twenty-six (126) and one hundred twenty-seven (127) were handed off to another department to resolve. It was communicated these cases were referred to other departments, to resolve the issues noted through the whistleblower hotline.

2019 Audit Plan

Anthony Nicks discussed the jail contractor audit (Naphcare) is planned and he attends the monthly governance and executive meetings. There was a discussion surrounding whether this jail audit should be conducted later in the year instead of the current quarter because some issues may be resolved through the executive meetings between Fulton County Government and the vendor. It was confirmed since the governance process may resolve issues, the audit can commence later in the year to allow the governance process an opportunity to resolve issues.

There was a discussion surrounding the compliance of the Naphcare, Inc. Medical Contract. It was discussed, in an audit, the financial aspects and compliance variables should be evaluated, such as, whether Naphcare doctors are present and if medications are administered.

Robert Koncerak proposed areas to consider during an audit such as a Request for a Proposal (RFP) and a service level agreement. Anthony Nicks provided information on how audits are conducted and how background knowledge, contracts, agreements, other documents and procedures that may be evaluated during an audit. Pamela McCorkle Buncum inquired whether there was an internal control review conducted to ensure the contract is in compliance. Sharon Whitmore, CFO indicated documentation to substantiate controls are in place and are available to share.

Commissioner Morris inquired about the increase in the number of audits from eight (8) or nine (9) in prior years to fourteen (14) or more audits in the current year. Anthony Nicks, responded new staff will assist with completing additional audits on the audit plan.

Robert Koncerak inquired about the frequency of audits and what determines how often an audit occurs. Anthony Nicks mentioned the frequency of the audit is based upon staffing, whether an audit is mandated, and if there are problem areas to be addressed.

Commissioner Ellis inquired about future potential audits including the Wolfcreek and Board of Health. There was a discussion related to how the risk assessment can provide a road map to identify which audits should be a priority.

Title VI

Queena Jenkins led the discussion on the Title VI updates. The following reports will be completed in June 2019; The District Attorney's Office, Marshalls Department and Clayton County Board of Health.

Risk Assessment

Anthony Nicks and Robbie Bishop-Monroe provided an update related to the risk assessment. It was discussed there were technical issues, being resolved, to enable risk assessment submission. Two (2) departments have completed the risk assessment and the Finance department response is pending technical issue resolution.

Audit Committee Self- Assessment

Commissioner Ellis led the discussion surrounding the audit committee self-assessment. It was mentioned, there will be more focus on the external audit engagement and monitoring.

Robert Koncerak and Pamela McCorkle Buncum inquired about the external auditor management. Sharon Whitmore responded the external auditors are obtained through a managed Request for Proposal (RFP) process initiated through the Fulton County Finance Department. Ms. Whitmore also stated the Finance Department coordinates the annual audits and the external auditors are engaged with the Finance department during the Request for Proposal (RFP) process.

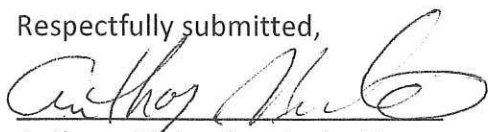
Sharon Whitmore discussed the audit committee can be engaged during the external audit entrance conference. In addition, the external auditors can discuss the results of the audits, as well as, findings and reportable conditions, if applicable at the exit conference.

There was a general discussion related to how the audit committee can be engaged with the external auditors. It was discussed, there could be a separate meeting between the audit committee and the external auditors, inclusion of the discussion of the draft audit report, and discussion if there are any audit issues during the draft report process. It was also discussed the County Auditor should be informed of the meeting and included on the entrance and exit conference.

ADJOURNMENT

There being no further business, a motion was made by Commissioner Ellis to adjourn and the meeting adjourned at 3:29 p.m.

Respectfully submitted,



Anthony Nicks, County Auditor

Robbie Bishop-Monroe, Audit Coordinator