

**FULTON COUNTY AUDIT COMMITTEE MEETING**

**MINUTES**

December 1, 2020

Fulton County Government Center  
141 Pryor Street  
Virtual Meeting via Zoom  
Atlanta, Georgia 30303

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**MINUTES**

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Ratification Date: February 22, 2021

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**CALL TO ORDER:** Commissioner Bob Ellis 2:00 p.m.

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

**ALSO PRESENT:** Anthony Nicks, County Auditor; Queena Jenkins, Deputy County Auditor; Stacy Jones, Assistant Audit Manager; Joi Hargis, Audit Coordinator; Tracee Shields, Auditor III; Jonnah Williams, Auditor III; Trina Alston, Title VI Coordinator; Ebony McNeill, Investigative Analyst; Sharon Whitmore, CFO; Sabrina McTier, Controller; Ray Turner, Deputy Finance Director; Angela Ash, Grants Administrator; April Batiste, PJC Group; Shauna M. Herbert, PJC Group; John Jordan, PCJ Group 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 at 2:02 p.m. Commissioner Bob Ellis motioned to adopt and it was seconded by Pamela McCorkle Buncum, Citizen Member. **The motion passed by the following vote:**

**Yeas: 3**

**Nays: 0**

**RATIFICATION OF MEETING MINUTES:** The meeting minutes from September 29, 2020, were reviewed, accepted and approved. **A motion was made by Commissioner Bob Ellis to approve and seconded by Commissioner Lee Morris, 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.

**EXTERNAL AUDITOR PRESENTATION:**

PJC Group, LLC (PJC) were present to discuss the external audit results. Mr. John Jordan, Principal, introduced the staff as April Batiste, Senior Manager, and Shauna Herbert, Audit Manager. Ms. Batiste discussed the deliverables of the 2019 audit. Mr. Koncerak inquired as to how the deliverables are created for the audit and who engages with the external audit team. Mr. Jordan responded that the Finance Department and Fulton County determine the deliverables for the audit. He also stated that PJC met with executives of Finance Department and Anthony Nicks, County Auditor, to determine areas that may require additional auditing. PJC also met with Angela Ash, Grants Administrator, to review federal programs.

Commissioner Morris further explained that the Finance Department owns and develops the RFP and the Procurement Department identifies qualified vendors to complete the audit via the RFP and Finance makes the final decision.

Shauna Herbert presented the 2019 audit results and began by discussing the purpose of the audit and reflected the audit was performed in accordance with Generally Accepted Auditing Standards. Ms. Herbert discussed the following: Auditors determined whether the financial statements were reasonable and provided reasonable assurance not absolute assurance and unmodified opinions were issued on the 2019 Financial Statement. The Auditor's responsibility does not extend beyond financial information contained in the provided reports. Internal controls over financial reporting were reviewed. There were no difficulties during the audit and full cooperation was received from management and staff, and there were no disagreements related to accounting or other financial reporting matters.

Ms. Herbert discussed the results of the 2019 Single Audit. The single audit was conducted in accordance with the Uniform Guidance and Government Auditing Standards. The following four (4) major programs were audited:

- **Emergency Relief Grant (Ryan White Program)** – An unmodified opinion was issued; no findings;
- **Special Programs for the Aging**- An unmodified opinion was issued; one (1) finding in the compliance area of sub-recipient monitoring (one (1) out of seven (7) sub-recipients no evidence of monitoring being performed)
- **The Home Investment Partnership Program** – An unmodified opinion was issued; One (1) finding in the compliance area of sub-recipient monitoring (no evidence of monitoring being performed)

- **Community Development Block Grant Program-** A qualified opinion was issued; One (1) finding in the compliance area of program income and a repeat finding related to the Business Improvement Loan Program (Fulton County is not using the Business Improvement Loan software to track funding).

Other audits that PJC performed were the FY19 and FY20 Fulton County Library System's agreed upon procedures. These reports were completed and issued on August 24, 2020, and November 5, 2020, respectively. The library system audits produced two findings which were the same for each fiscal year of (2018-2019). The first finding references the completion of an annual evaluation of reimbursed positions by the grant. The second finding references Fulton County creating a separate accounting unit for the GA Public Library expenditures. Management has responded and provided solutions to address both findings and a new process is underway and will be corrected during the 2021 fiscal year. Ms. Batiste provided additional information surrounding the library audits as they were completed simultaneously. Finally, the 2018 TSPLOST audit has been completed and a draft report is forthcoming within the next ten (10) days and the final report will be provided shortly thereafter.

Mr. Nicks inquired if there are any areas of concern that PJC observed. Ms. Herbert brought to the attention of the Committee that the bank reconciliation completion timeframe should be monitored. Ms. Herbert also mentioned that departments should be aware of compliance areas and that proper documentation should be executed. Mr. Koncerak noted the repeat findings mentioned and asked what the process is for following up and the corresponding management's response. Ms. Batiste stated the repeat findings noted were addressed and a solution has been provided.

Commissioner Ellis inquired whether the Defined Contribution Plan was audited and if the other pension plans were being audited. Commissioner Morris questioned whether other plans are to be subjected to auditing. Ms. Whitmore said she would communicate with Ed Emerson, Esq. regarding the requirements for pension plans.

Commissioner Ellis asked if PJC has been privy to any unique scenarios with regard to cyber network security in other organizations or governmental entities. Mr. Jordan responded there are internal audit processes where appropriateness is subjective per each entity but not cyber security issues. PJC's risk assessment process compares other governmental agencies' weaknesses to Fulton County and would preempt the group to look further.

Ms. McCorkle Buncum requests that the Audit Committee is consulted for its perspective prior to the external audit being completed. Mr. Koncerak mentioned cyber security insurance and the possible coverage it may offer. Commissioner Ellis poses the subject as an agenda item for a future meeting where all necessary parties are present. Mr. Koncerak asked if there was anything that PJC anticipated being asked and Mr. Jordan dispelled any collusion or fraud. Commissioner Ellis asked for specifics regarding the pension audit and Mr. Jordan replied the pension audit is indeed a separate engagement, completed monthly. PJC was thanked for their participation and were dismissed from the meeting.

**NEW BUSINESS:**Internal Audit Updates

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

Ms. Jones indicated that two (2) audits were completed and released since the last Audit Committee meeting. These audits were the 1) Travel and Training audit, released October 16, 2020 and a 2) special request audit of the Project Level Up Program, released on October 26, 2020.

The audit team has completed seven (7) out of ten (10) audits listed on the approved audit plan and two (2) special request audits.

Ms. Jones gave specific details regarding the final stages of the Library Construction audit. Anthony Nicks provided additional details regarding the audit. There is an expected release date for this audit of December, 2020.

Ms. Jones also stated that the team was in the final fieldwork stage of the Fulton County Jail Aramark Correctional Services, LLC Contract audit which is the Jail's food services contract. The expected release date for this audit is December, 2020. The Fulton County Jail NaphCare, Inc. Medical Contract Follow-up audit is currently on hold due to personnel changes in the Sheriff's Department. Mr. Nicks stated that he has been in touch with the County Manager's office to obtain the NaphCare Inc. accreditation report and is awaiting those documents to determine if the findings noted in the audit were implemented or addressed in the accreditation report. Once the Office of the County Auditor receives the accreditation report it will be reviewed to determine if a follow-up audit should be performed. With this audit on hold, the Office of the County Auditor is expected to complete nine (9) of the ten (10) audits listed on the approved audit plan and two (2) special request audits.

Ms. McCorkle Buncum asked to explain any concerns the Office of the County Auditor addressed during the special requested audit of the Project Level-Up Program and if any corrective action were received. Ms. Jones explained that the program was approved in November, 2019 by the BOC; however, the Office of the District Attorney did not start the program until July, 2020. Ten (10) participants were selected and entered into the program in September, 2020. The Office of the County Auditor sent the initial audit notification in August, 2020 which was prior to the participants being selected and entering the program. It was also noted that funding was released prior to the program beginning and invoices were being billed before services were performed. Corrective action has not been received. Mr. Nicks stated that there was conversation via the news media that the program had not brought in participants which prompted Commissioners to request an audit of the program. Mr. Nicks also stated that with the newly elected District

Attorney, there may be a decision from the BOC and possibly the DA to move the program forward.

Ms. McCorkle Buncum and Commissioner Ellis discussed further and noted the benefits of the program. Commissioner Ellis and Mr. Nicks mentioned that the current report has been shared with the current District Attorney and Commissioner Ellis suggested that the report be shared with the newly elected District Attorney.

#### P-Card and T-Card Analysis

Tracee Shields, Auditor III, presented the status of the P-Card and T-Card Analyses for 2020 and the third quarter of 2020. The overall total spending, per analysis, including the departments with the top five (5) spending per department, top five (5) merchant category codes used, and the top five (5) vendors used during the period of the review, were discussed.

Pamela McCorkle Buncum inquired if employees were completing physical travel or if the transactions were due to remote conferences and registration fees. Ms. Shields explained that all transactions were remote registrations. Commissioner Ellis asked if any transaction stood out or was glaring. Ms. Shields stated that no transactions appeared as such.

#### Whistleblower Hotline/Fraud Hotline Update

Ebony McNeill, Investigative Analyst, explained that she conducted new hire orientations virtually. As of November 16, 2020, there have been seventy-nine (79) presentations and two thousand one hundred and seventy-five (2,175) participants cumulatively since 2017. Twenty-one (21) presentations have been completed with a total of three hundred and forty-nine (349) participants for 2020.

There are one-hundred and seventy-nine (179) Whistleblower Hotline cases, thirteen (13) cases are pending and eighteen (18) cases are closed, since the last audit committee meeting.

Commissioner Morris asked if any cases were particularly glaring. Ms. McNeill responded that most cases were related to employees' concern with COVID-19. Mr. Nicks responded that most whistleblower cases merit further investigation and the title of the case can be abstruse more so than illustrative of the actual issue.

#### Title VI

Trina Alston, Title VI Coordinator, communicated that four (4) sub-recipient site visits have been completed and all are compliant. These visits complete the 2020 audit plan and meets the KPIs for the program.

The foreign language services has received over one-thousand, six hundred (1,600) calls and the most requested language has been Spanish. June produced the most volume of calls. Ms. Alston also stated that written requests for translation services have increased significantly.

**Other Issues:**

Anthony Nicks addressed the Audit Committee and mentioned the Audit Committee Assessment is forthcoming. Mr. Nicks also stated the budget will remain at the previous levels set for 2019.


Commissioner Ellis asked where the process stands regarding ways in which the Audit Committee can be involved in the RFP process. Ray Turner, Deputy Director of Finance, explained the particulars of the scope. Mr. Nicks provided additional insight regarding the Audit Committee Charter. Discussion continued about the process of involvement of the Audit Committee and the process by which the RFP is developed and how the audits are evaluated. Commissioner Morris recommended a future conversation including the County Attorney for proper guidance.

Ms. McCorkle Buncum inquired if there is a vacancy on the Audit Committee. Commissioner Ellis responded there is, as the term has ended, for one (1) member.


**ADJOURNMENT**

There being no further business, a motion was made by Commissioner Ellis to adjourn and was seconded. The meeting adjourned at 3:57 p.m.

Respectfully submitted,

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Anthony Nicks, County Auditor

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Joi Hargis, Audit Coordinator