

**FULTON COUNTY AUDIT COMMITTEE**

**MEETING COMMITTEE MINUTES**

November 28, 2017

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

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**MINUTES**

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This document is tentative, has not been ratified or approved by the Audit Committee, and is not binding on the County or any officer.

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Scheduled date for ratification: March 20, 2018

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**CALL TO ORDER:** Chairman Bob Ellis 2:02 p.m.

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

**ALSO PRESENT:** Lenora Ponzo, Chief Clerk for State and Magistrate Court; 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; Harriet Thomas, Chief of Staff to Commissioner Morris; David Lowman, Staff Attorney; 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: 4**

**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 Phillip Hurd to approve and seconded by Commissioner 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.

**OLD BUSINESS:**

State Court Cash Handling Procedures Update

Glenn Melendez communicated that the project was complete and a number of changes were made. The key items handled as part of the project included fee set up and configuration for accurate mapping of the designated bank account and general ledger, credit card processing to include the mobile credit card machines which allowed for balancing of multiple accounts and the implementation of the mobile technology in the courtroom. The testing is scheduled on November 28, 2017. Melendez communicated that there was an evaluation of how citations were disbursed and how the percentages were captured. It was mentioned that suspense accounts are now utilized to assist with daily cash reconciliations. There was also training conducted for abandoned motor vehicle reports and the Odyssey financial management module. Lenora Ponzo communicated that the reconciliation process is more efficient and they are currently balancing as of October 2017. In addition, with the new process, there were two (2) months reconciled in one week. Commissioner Ellis thanked Ms. Ponzo for the improvements that were made.

Anthony Nicks inquired as to whether there was a desire to discuss Probate Court. Glenn Melendez stated that a representative will be scheduled to come onsite tomorrow (November 29, 2017) to plan a remediation map and timeline for three (3) locations. It was indicated that there were challenges with scheduling; however, the call should occur tomorrow. Commissioner Ellis commented that it appears that there will be a better sense of cooperation once the call occurs. Anthony Nicks inquired on the time frame of the completion and Glenn Melendez communicated that there is no definite timeline but it should take less time than the previous project.

Commissioner Ellis inquired about the issues surrounding the tracking of restitution by Juvenile Court. There was a discussion between Commissioner Ellis, Mr. Nicks and Mr. Melendez surrounding the Odyssey system and it was mentioned that Juvenile Court does not utilize Odyssey, and the process should be evaluated to determine how to remediate the issues. Commissioner Ellis commented that a meeting should be scheduled with the Administrator and Chief Judge to discuss Juvenile Court. Glenn Melendez indicated that there could be licensing implications as well as integration issues but those concerns will be addressed.

There was a discussion related to resolving the issues noted in the Juvenile Court audit, the management responses and the importance of the receptiveness of the recommendations. Anthony Nicks informed the meeting attendees that the audit of the Superior and Magistrate Courts will commence in the first quarter of 2018.

#### Whistleblower Hotline/Fraud Hotline Update

Ms. Shields reported that the Whistleblower Hotline has ten (10) new cases since the last audit committee meeting for a total of seventy (70) cases. Many cases are related, and the outcome, nature of case and respective forwarding department are available. The audit department is currently investigating three (3) cases. In summary, Anthony Nicks communicated that the audit team closed 55 of the 70 cases, the Whistleblower team is investigating three (3) cases and the additional cases have been forwarded to the respective party (i.e. Office of Diversity and Civil Rights Compliance -DCRC, Personnel).

Phillip Hurd inquired about an analysis on the value of the cases and Commissioner Lee Morris asked about the seriousness of the cases. Anthony Nicks commented that the dollar value of cases will be summarized within the annual report which will be available in the first quarter of the new year (2018). Tracee Shields discussed that there were also a few purchase card transactions that are being evaluated as well.

Commissioner Morris inquired about the description "unable to investigate- out of our jurisdiction" for case number 31. It was explained by Tracee Shields that the case was not related to a former or current Fulton County employee and was related to a domestic dispute. Anthony Nicks stated that the Whistleblower Hotline periodically receives inquiries or complaints that are not handled under the preview of the County. Commissioner Morris inquired whether cases related to discrimination or harassment are forwarded to the correct place and Tracee Shields stated that every case is reviewed and only Cheryl Blazej and designated audit team members have access to the cases. Anthony Nicks highlighted that the hotline may receive a case rated as anonymous and it is sent to the respective department; however, there are instances where they are unable to be resolved if details cannot be identified. There was a special note by Tracee Shields that a case was received and forwarded to DCRC due to a lawsuit. Commissioner Ellis asked if the DCRC is responsive and Anthony Nicks commented that they are very responsive.

Commissioner Ellis inquired about the time abuse corrective procedures and Anthony Nicks commented that an Internal department memo was sent to the department to note the importance of time compliance. Commissioner Ellis inquired about which work group is this in reference to and Anthony Nicks stated that the Finance department is impacted. Ray Turner mentioned that there were discussions with employees to address this matter. Also, management of the identified department implemented changes so that employees clock in when they are required to.

Anthony Nicks discussed that the data analysis software (IDEA) has assisted with identifying purchase card weekend sales and split transactions. Commissioner Ellis inquired if the analyses are routine and Nicks commented that they are routine and the travel card transactions will be added to the evaluations.

Ellis inquired about the process of handling anomalies and Tracee Shields discussed that the audit department works with Earl Blanding in the Purchasing Department. Nicks highlighted that there will be joint efforts between finance, purchasing and the audit team to resolve any issues. Nicks stated there was one purchase cardholder who submitted the reconciliations late.

Nicks communicated that the audit team has conducted Whistleblower Hotline training for 155 new employees in new employee orientation sessions. Commissioner Morris inquired if the online anonymous – technical component is working as it relates to the report key. Tracee Shields stated that anonymous reporters are required to maintain their report key in order for the audit team to communicate with them and for the anonymous reporter to communicate with the audit team. Nicks commented that the system (Ethics Point) is working well and he is very pleased.

#### Training/Access for Systems Advocate (C. Blazej)

Audit committee member Cheryl Blazej has access training to Ethics Point and has received training.

#### Whistleblower Complaint Policy and Procedures

There was a suggestion raised by Commissioner Morris located on page 8 section a, to revise the term “resolve” to “resolution”. Commissioner Ellis provided revisions to the policy to include a revision to paragraph VII page 10, starting with “Incidents/concerns made frivolously...”Malicious incidents..... It was discussed that these sentences should be combined as one sentence and state the terms “malicious” and “frivolous” within one sentence.

Commissioner Ellis inquired about the process to adopt this policy and there was a discussion with Commissioner Ellis, Commissioner Morris, Mr. Lowman and Mr. Nicks surrounding whether the Board of Commissioners or the Audit Committee should adopt the policy and the language noted in the audit charter. It was communicated that the details will be confirmed by Legal.

#### Email access to audit committee citizen members

Queena Jenkins discussed that all citizen committee members now have Fulton County email addresses. Commissioner Ellis commented that County email addresses should be set-up for the Board of Assessors as well.

### **NEW BUSINESS**

#### Audit Committee Self-Assessment

It was highlighted that the overall score was a 4.8 out of 5 rating. It was discussed that a memo should be prepared and submitted to the Board of Commissioners to communicate the results.

Internal Audit Updates

*Home Program*

The audit team is in the fieldwork stage of the HOME Program audit. It was mentioned that \$93,000 was deobligated because the home program did not commit the funds. There was a discussion surrounding the topic and it was mentioned that the HOME program has two (2) years to commit and five (5) years to expend or commit the funds. Anthony Nicks mentioned that the Director of the program, Frankie Atwater, indicated that they obtained difficulty in committing the funds with a community based organization because of the low amount offered and this appears to be a trend across country. Danielle Moore discussed that in 2015, they received approximately \$600,000 and 16% was set aside for CHDOs.

*Senior Center*

The exit audit conference for the Senior Center audit is November 29, 2017. It is noted that there were 15 findings and 2 concerns during the course of the audit.

*Tax Assessor*

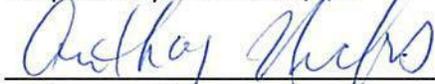
Anthony Nicks discussed that the Tax Assessor report will be available in the first quarter of next year. The report will highlight major concerns and should be a public report. There was a discussion surrounding whether the report is an open public record and it was mentioned by David Lowman that the record is public; however, if there is a criminal investigation (prosecution), the name will be redacted but the rest of the report would be open records.

Anthony Nicks discussed that the audit department asked for an additional position to assist with the Whistleblower Hotline but it was not approved as part of the budget. Although there was a budget adjustment, it covered the audit software not the additional position. Anthony Nicks communicated that the software for the Certified Fraud Examiner (CFE) certifications was obtained, however there are limited funds for training in the 2018 budget. Finally, it was communicated the suggested 2018 dates for the audit committee will be emailed. Also, the audit schedule for 2018 will be available and there is a draft risk assessment questionnaire and it will be reviewed and later confirmed. The current software has the capacity to assess the level of risks.

**ADJOURNMENT**

There being no further business, a motion was made by Commissioner Ellis to adjourn and the meeting adjourned at 3:09 p.m.

Respectfully submitted,



Anthony Nicks, County Auditor



Robbie Bishop-Monroe, Audit Coordinator