

FULTON COUNTY AUDIT COMMITTEE

MEETING COMMITTEE MINUTES

May 15, 2018

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

MINUTES

Ratification Date: September 13, 2018

CALL TO ORDER: Chairman Bob Ellis 2:00 p.m.

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

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

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 March 20, 2018 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

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

OLD BUSINESS:

Whistleblower Hotline/Fraud Hotline Update

Tracee Shields, Auditor III, explained that there were ninety-nine (99) whistleblower hotline cases, which include nineteen (19) cases currently in process and seven (7) new cases since the last audit committee meeting. The cases listed as currently in process have been forwarded to the respective department heads in order to initiate the research process and obtain closure on open cases. Philip Hurd asked about a workplace violence case that was listed on the whistleblower case log. It was communicated by Tracee Shields, Auditor III, that since it was unable to be determined if the case was related to an employee of the County and it relates to a potential domestic violence situation, it was forwarded to the police department for investigation. There was an inquiry from Commissioner Morris related to a substance abuse case and it was communicated that there were three complaints related to this matter. The department head and personnel were contacted to investigate the matter. Commissioner Ellis inquired about a case on the case log titled health care fraud. Tracee Shields communicated that the matter related to a Juvenile Court subcontractor for behavioral health care referrals. Anthony Nicks, County Auditor, indicated that he spoke to the CEO of Chris 180/Odyssey and that this issue should be resolved.

Mr. Philip Hurd asked about a case that appeared to be in process for over a year. Tracee Shields, Auditor III, indicated that this particular case involved a potential FMLA violation and the case was progressed to the legal department for resolution. It was communicated that the case will be resolved after the issue is settled from the external department. Mr. Philip Hurd queried about case twenty-five (25) and it was discussed that this case is associated with a jail lawsuit that was publicized where the contractor is accused of providing the jail with improper gifts. It was mentioned that the person who opened the complaint, is no longer an employee of the County jail and the investigation is unable to be resolved due to this situation. Commissioner Ellis asked about the details of cases, sixty-one (61), sixty-eight (68) and sixty-nine (69). Case sixty-eight (68) relates to offensive and inappropriate communication. Tracee Shields indicated that case sixty-nine (69) is related to a purchase card issue that was forwarded to the legal department and to the District Attorney. It was further communicated that case sixty-one (61) is a hostile work environment issue that has been forwarded to personnel to conduct research and is pending the resolution from the department. Anthony Nicks, County Auditor indicated that the Internal Audit department is compiling records related to the length of time to close cases and he discussed the average length of time to close cases. Philip Hurd commented that there can be a differentiation reflected on the report between cases that are within the Internal Audit department's control versus cases not within the department's control. For example, the categories can be noted as "in process", "in litigation", "DCRC (Diversity and Civil Rights Compliance) review", "forwarded to DCRC for investigation". Anthony Nicks, County Auditor, discussed that the last page of the report represented the average number of days to close the cases. There was a discussion surrounding a case titled as "threat".

Tracee Shields, Auditor II, commented that the case is related to an employee who stated their supervisor was requesting duties that the employee is not favorable to and the employee was not in agreement with their treatment by the supervisor.

Tracee Shields, Auditor III, specified that as of May 3, 2018, the audit team has conducted whistleblower presentations for the new employee orientation sessions. The total cumulative number of employees that were present in those respective sessions was a total of five hundred and two (502) individuals.

Probate Court

The configuration process is ongoing between the Courts and Odyssey. The Court has received training on code configuration and Odyssey representatives are expected to return in June 2018 to assist with additional training to start the month-end reconciliation process for May 2018. Anthony Nicks, County Auditor, stated that there will be a follow up to ensure the reconciliation process is going as intended.

Mr. Hurd inquired about the cash payment requirement for a concealed carry permit at the Fulton County North Annex. There was a discussion surrounding the desire for additional payment options instead of cash only which would also increase internal controls, in order to provide more conveniences to citizens. The CFO, Sharon Whitmore, communicated that the cash requirement might possibly be due to a portion of the fee that is paid to a third party, as well as the judge preferences. It was also indicated that the permits are evaluated by the judge before the concealed carry permits are issued and after the background checks are completed. There was a discussion highlighting the importance of process improvements related to the payment options for Probate Court and that internal audit would follow up with the North Annex as it relates to credit card machine capabilities for the concealed carry permits.

NEW BUSINESS

Internal Audit Updates

Danielle Moore, Assistant Audit Manager led the discussion surrounding the Internal Audit updates.

Home Program

The Home Program review was completed and the responses from the department are expected by May 18, 2018.

Travel and Training

The audit team is currently conducting fieldwork and the audit report is expected to be completed in June 2018.

Georgia Security and Immigration Compliance Act

The Georgia Security and Immigration Compliance audit was completed. The audit evaluated the contractors to ensure that they were participating in E-verify and were compliant with immigration policies. The responses were received from one contractor to address a finding and the report was released today.

Clerk of Superior Court Cash Management

The fieldwork for the Clerk of Superior Court Cash Management audit was conducted and is expected to be completed in June 2018.

Grady Memorandum of Understanding (MOU)

The audit team is working with Banks, Finley and White to ensure the uncompensated healthcare cost for Fulton County was adequate. The review was completed and the results were expected to be received from Banks, Finley and White in the upcoming weeks.

Senior Follow-Up - Audit Senior Multipurpose Center Cash Management

The audit team will commence the Senior Multipurpose Cash Management follow-up audit. The information was requested and the review will be completed in the upcoming weeks. Anthony Nicks, County Auditor, commented that this audit relates to a news broadcast and the Chairman's request.

Mr. Hurd inquired whether a review of the contracts has been added to the audit schedule due to the high risk level. It was indicated that the audit team is conducting a risk assessment to target some of the high risk areas.

Sharon Whitmore, CFO, explained that the last contract and purchasing review occurred in 2013-2014 and the purchasing agent has implemented all of the recommendations from that engagement. Also, there was a review of the network of vendors available to the County to implement a goal-based minority and female enterprise system. Also, the purchasing department is audited through the external audit process whereby they select samples of transactions, and the internal audit team conducts periodic reviews. It was also discussed that there are controls which consist of board authorization limits and a monthly payment voucher report to monitor vendor contracts.

Mr. Hurd inquired about the last time that a full control test was conducted. Mr. Nicks communicated that the external auditors conduct this review and periodically there is a request from Commissioners to request an update on purchasing procedures. Commissioner Ellis commented that the jail is composed of large contract amounts and should be reviewed.

Anthony Nicks, County Auditor, proceeded with a discussion surrounding the release of the Information technology (IT) report and the reasons for the delay including the absence of the Director, ransomware risks, the security risks and the exposure of those issues. It was indicated that there was an IT security issue with the City of Atlanta and after they exposed the security breach in a publicly released audit report, the City of Atlanta was targeted with a ransom

attack. Based upon this high risk exposure, Mr. Nicks indicated that a collective decision was made not to release the IT report to ensure the County was able to expeditiously address the lack of a finalized disaster recovery plan and lack of testing of the plan. It was further discussed that to address those issues, the County secured contracts for a disaster incident response (disaster recovery plan) to mitigate any vulnerabilities.

Travel Card and Purchasing Card Data Analysis

A copy of the travel and purchase card analysis was provided for discussion. The analysis was conducted using the IDEA software and the details will be discussed with the Finance team. The audit team is currently conducting reviews of transactions for the January-April 2018 time frame. Sharon Whitmore, CFO, highlighted that she is working on an automated solution with Human Resources to cancel and relinquish travel and purchase cards by flagging employees if an employee is terminated or changes jobs. This notification can serve as communication that the cards should be cancelled.

There was a discussion surrounding the gift card controls including the required policies and procedures and the distribution and safekeeping of the Treasury gift cards.

Title VI

An update was given by Robbie Bishop-Monroe, Audit Coordinator, pertaining to the foreign translation language line. The language line was launched on May 8, 2018 and the contractor Trans Perfect conducts translation services. The language line assists Fulton County employees with providing foreign translation services to citizens who desire translation.

Risk Assessment

Robbie Bishop-Monroe, Audit Coordinator, provided an update related to the risk assessment. The risk assessment was modified to add the continuity of operations section. The launch of the risk assessment will include the Department of Senior Services (Dr. Roschell). This department will undergo the first risk assessment. A discussion was held pertaining to the teammate tool assisting with electronically launching the risk assessment. It was discussed that the information will be collected in TeamMate to develop a heat map and the risk assessment will be developed as the risk assessments progress. After the first risk assessment, the information will be gathered and a plan that will work well for continuity of operations will be developed.

Annual Report

The annual audit committee report was discussed which relates to a summary of how the audit committees duties were discharged. It was discussed that the report can be further filled out to promote future discussion. It was also discussed that item 5, 6, 12, and 18 can be addressed with a summary note in the report so that the item is not left blank.

Other Business

Sharon Whitmore, CFO, informed the committee that Ray Turner is attempting to wrap-up the audit and it was communicated that Grady may not provide timely information in order to complete the audit. It was communicated that this is because Grady's external audit staff

(Cherry, Becker and Holland) was involved in a bus accident to the Master's Golf tournament. This required the audit firm to shift resources in an attempt to complete the audit. It was discussed that if information is not provided timely, it would extend the issue date. If the issue date is not met timely, it will require Fulton County to self-disclose the delay. The report cannot be issued until the information from Grady is received since Grady is a discreetly presented component.

Mr. Nicks discussed that Cheryl Blazej was the designated person for the whistleblower hotline and we may need a replacement. Commissioner Ellis stated that he will follow up on whether Cheryl Blazej will continue her service to the audit committee. Mr. Nicks announced that Danielle Moore, Assistant Audit Manager, is leaving the office and the committee and attendees thanked her for her service.

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