

FULTON COUNTY AUDIT COMMITTEE MEETING

MINUTES

November 21, 2019

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

MINUTES

Ratification Date: June 11, 2020

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

MEMBERS PRESENT: Commissioner Bob Ellis, District 2
Commissioner Lee Morris, District 3
Pamela Mccorkle Buncum, Citizen Member
Phillip Hurd, Citizen Member
Robert Koncerak, Citizen Member

ALSO PRESENT: Anthony Nicks, County Auditor; Queena Jenkins, Audit Manager; Stacy Jones, Assistant Audit Manager; Joi Hargis, Audit Coordinator; Tracee Shields, Audit or 111; Jonnah Williams, Auditor III; Ebony McNeill, Investigative Analyst; Trina Alston, Title VI Coordinator; Fred Hoffman, Chief of Staff to Commissioner Elli s; Jenn Thomas, Chief of Staff to Commissioner Morris; Sharon Whitmore, CFO.

INTRODUCTION :

ADOPTION OF AGENDA: A call was made by Commissioner Bob Elli s to approve and adopt the agenda. Phillip Hurd, Citizen Member 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 September 10, 2019 were reviewed, accepted and approved. **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: 3

Nays: 0

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

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 State Court Cash Handling Procedures - Follow up and the Workforce Development audit.

The audit team is finalizing two audits 1) Travel and Training audit and 2) Fulton County Jail NaphCare, Inc. Medical Contract audit .

It was stated that audit notifications letters have been sent out announcing the start of the HOME Monitoring Program audit and the Library Construction Project; however, the Library Construction Project audit is on hold.

Anthony Nicks, County Auditor addressed the Audit Committee and stated that he spoke with the Library personnel and they have indicated that while they have completed the library constructions, there are still invoices that have not been closed out. Mr. Nicks mentioned that the Library personnel have asked that the audit team postpone the audit until they have completed their process. Mr. Nicks expressed that the audit team would review information as the libraries were completed.

Commissioner Ellis inquired as to what is reviewed in the Library Construction audit. Mr. Nicks stated that the audit team's responsibility is to determine if the actual construction costs met certain contract criteria, and to determine if there were any cost savings. If so, there is a split of any savings that may have occurred between the Construction Company and Fulton County Government. Mr. Nicks also stated that the PJC Group, LLC reviewed several library construction contracts and the Office of the County Auditor will now take over the review of the remaining construction contracts. It was then asked if the Office of the County Auditor would be reviewing what the PJC Group, LLC had already completed. Mr. Nicks answered that it would not. It was also asked if the PJC Group had any findings and if we get much value from the work they did? Mr. Nicks answered there were no findings, and stated that the contractors realizing there was a clause in the contract is an incentive to perform the work in a timely manner . However, there could be an overage and the cost of the overage will be determined. A discussion surrounding which libraries have been completed ensued. Mr. Nicks stated eight (8) libraries have been completed but they have not yet been closed out completely .

Phillip Hurd asked if spot checks have been performed on the construction audits. Mr. Nicks replied that there is a specific employee that supervises the library construction projects and they are responsible for monitoring the financial and construction components of the projects. The Office of the County Auditor will review the project and determine if there are present issues, but the responsibility primarily lies on the construction manager and library manager of the project. Commissioner Ellis asked about construction delays and what would be the recourse if there were any findings? Mr. Nicks, agreed that performing a spot check is a good idea to determine the cause of construction delays.

Commissioner Ellis asked if cooperation was being given by the NaphCare team. Queena Jenkins, Audit Manager, responded yes. Stacy Jones then informed the Audit Committee that based on the fieldwork performed, nine (9) findings were identified and they have discussed them with NaphCare, Inc.'s management team. Currently, the audit findings have not been shared with the Fulton County Sherriff's Department.

Commissioner Ellis inquired as to whether the scope of the audit answers the question of whether they are doing what they say they would be doing in terms of the contract and what would be the recourse? Mr. Nicks stated he does not know if there is recourse within the Naphcare contract. He stated the scope of the audit would have identified contract issues due to the audit team using the contract as a guide. Commissioner Ellis inquired as to who would be responsible for the response? Mr. Nicks stated Alton Adams, Deputy COO, is the contract manager and Sharon Whitmore, CFO, agreed and stated Alton Adams as well as the Sherriff's Office would collaborate to develop an audit response. Mr. Nicks mentioned that a meeting would be scheduled with Mr. Adams to discuss the audit results prior to meeting with NaphCare, Inc.'s staff.

Whistleblower Hotline/Fraud Hotline Update

Ebony McNeill, Investigative Analyst, explained that as of November 15, 2019, the audit team has conducted fifty-seven (57) whistleblower presentations during the new employee orientation sessions with a cumulative total of one thousand seven hundred and sixty-one (1,761) employees that were present in those respective sessions.

There are one-hundred and forty-five (145) Whistleblower Hotline cases, which include seven (7) cases currently in process, three (3) pending cases from 2017, and five (5) new cases, since the last audit committee meeting.

Philip Hurd asked who does the review of sexual harassment cases. M s. McNeil! stated Diversity and Civil Rights Compliance would respond to sexual harassment cases. Mr. Koncerak asked how long has the Whistleblower Hotline been in effect. It was stated the hotline has been in effect since 2017.

Commissioner Ellis asked if there was any one department that has a higher reporting of cases than any other. Ms. McNeil stated the Department of Community Development has been prominent on the Whistleblower Hotline.

Mr. Koncerak asked if the cases that have been reported constructive. Mr. Nicks stated all cases will be investigated until we determine sufficiency, and we will continually monitor all the cases that have been reported. Mr. Koncerak stated that the follow-through is critical. Mr. Nicks stated we follow through on all outstanding cases and reach out to departments that have open cases.

Commissioner Ellis asked if we needed to do anything different to remind employees about the Whistleblower Hotline. Queena Jenkins stated the audit department speaks at the P-card refresher course. It was also stated the Whistleblower Hotline is advertised via the Fulton County Website, Employee Central and Fulco news.

Commissioner Ellis stated to do a spot check of employees and the departments to ensure they are aware of the County's Whistleblower Hotline. Commissioner Ellis asked if we should expand the Whistleblower Hotline to vendors or the public. Mr. Nicks stated that has been up for discussion.

A discussion began to delve into cases that were documented as "unable to be investigated". Mr. Nicks replied that the Whistleblower Hotline is currently for current employees. There is presently not a way to close the telephone line to previous employees. Sharon Whitmore asked if a former employee who had been dismissed is able to contact the Whistleblower Hotline with a possible complaint. Mr. Nicks answered, "Yes" and will be considered. Ms. Whitmore noted the new feedback feature via the Fulton County Government website where anyone is able to leave feedback regarding any concern including services provided, fraud, waste and abuse. This tool may be filtered through the Customer Service and Solutions Department or Communications Department.

Title VI

Trina Alston, Title VI Coordinator, communicated that one (1) site visit was completed since the last Audit Committee meeting and two (2) additional site visits have been reviewed 1.) Select Fulton, and the report was released on November 18, 2019 and 2.) Ryan White, now the Department for HIV Elimination, and the report will be released by December, 2019. Commissioner Ellis asked how many Title VI reviews are done for Department of Community Development. Ms. Alston stated she has sent out communication to begin their review, however the department asked if they could delay the start of the review due to staffing issues. She is currently awaiting on a response with a start date. Commissioner Ellis also inquired if the Department of Community Development has had any major issues from previous reviews. Ms. Alston stated that several program managers have reached out to her to ensure they have the accurate language. Ms. Alston also noted that the Grants Division has hosted trainings which has assisted departments with becoming familiar with specific verbiage in their respective grants, inclusive of Title VI. Commissioner Ellis stated that there were concerns regarding the CDBG program and returning of grant funds. Ms. Alston stated most department heads do not read

their assurances which states their program guidelines. Commissioner Ellis asked for CDBG to be put at the top of the list for review. Mr. Nicks stated that we would begin a review of the HOME program and will be looking into their issues.

Risk Assessment

Anthony Nicks provided an update related to the risk assessment. Challenges have been experienced within the risk assessment module of the TeamMate software and the Office of the County Auditor would be contacting TeamMate for technical assistance. The software is cumbersome and should ultimately present heat maps which it has not. The discussion continued regarding other alternative software as they have experienced the same challenges with the TeamMate software. Phillip Hurd mentioned that his organization utilizes Qualtrics for their Risk Assessment. He indicated that TeamMate is exceptional with workpapers and timekeeping, but not assessing risks. Mr. Nicks stated that we would start looking at Qualtrics to determine if the software would be a good fit. Phillip Hurd offered to provide the contact information for a company that specializes in building risk assessment.

Personnel

Mr. Nicks stated Joi Hargis, Audit Coordinator, is new to our team. Mr. Nicks also informed the committee that requested that the Personnel Department reviews his department in its entirety. He wants the Personnel Department to complete a review and address specific matters within the Office of the County Auditor.

Budget

It was discussed that the requested enhancements for 2020 was a conservative \$5,700, and they were approved. Mr. Nicks also mentioned that he wanted to purchase a visual screen to allow several employees access and viewing capabilities of audits, reports, etc., within the office.

P-Card and T-Card Analysis

Tracee Shields, Auditor III, presented the status of the P-Card and T-Card Analyses for the third quarter of 2019. The overall total spending, per analysis, including the departments with the top (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. Philip Hurd inquired what the vendor, VDS, was used for and asked what type of services were provided from the listed vendor. It was explained that office supplies were the major purchases from the listed vendor.

Philip Hurd inquired what the vendors, Medical Priority Consult and CGI Technologies, were used for via the Travel Card. Ms. Shields explained that the vendors were both conferences and must be placed on the Travel Card for payment. Mr. Hurd inquired about the MCC code of a vendor that was listed as a charitable contribution and the dollar amount expended for this vendor. However, this dollar figure will be reviewed and analyzed for further discussion.

Tracee Shields, also explained that the transactions are obtained from the Bank of America Works system and are analyzed quarterly. Commissioner Ellis requested an annual report of

transactions for a specific MCC code. Ms. Shields responded that she will compile the report for the year for the MCC code in question. The transactions are evaluated for suspicious activities including weekend transactions and departments with multiple cards. Phillip Hurd recalled that Delta was a widely used vendor and requested that first class tickets, specifically Y and Q fares, are extrapolated from the data. Mr. Nicks responded the requested data will be reviewed. Phillip Hurd informed Mr. Nicks that he inquired as there was some unnecessary expenses incurred in reference to their travel.

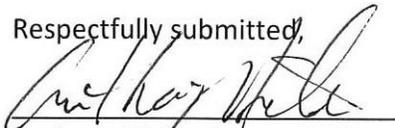
Other Business

Stacy Jones continued with audit updates as she noted that she communicated with the neighboring District Attorney's offices regarding their ERP and financial recordkeeping systems. She stated that DeKalb County utilizes the Oracle ERP system throughout the County and Henry County utilizes Tyler Munis financial system. Both , DeKalb and Henry Counties responded that they were not concerned about data breaches as they are armed with firewalls for which they do not have a separate accounting system from their respective counties. Currently, Fulton County utilizes QuickBooks for witnesses. Odyssey indicated they could possibly create a separate system; however, further research is necessary. Mr. Nicks stated that the Fulton County District Attorney is an elected official and possessed the right to be concerned with a data breach. The amount of funds being handled was determined to be immaterial and did not pose a threat, yet. Commissioner Ellis requested a review of the past four (4) years and an aggregate total of funds collected and utilized for housing and travel.

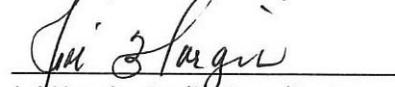
ADJOURNMENT

There being no further business, a motion was made by Commissioner Ellis to adjourn and was seconded. The meeting adjourned at 3:19 p.m.

Respectfully submitted,



Anthony Nicks, County Auditor



Joj Hargis, Audit Coordinator