

FULTON COUNTY AUDIT COMMITTEE MEETING

July 11, 2024
Fulton County Government Center
4th Floor
Atlanta, Georgia 30303

MINUTES

Ratification Date: November 12, 2024

CALL TO ORDER: Commissioner Bob Ellis 11:00 a.m.

MEMBERS PRESENT: Commissioner Bob Ellis, District 2
Chairman Robert L. Pitts, At Large
Robert Koncerak, Citizen Member
Ambuj Jain, Citizen Member
Jay Small, Citizen Member

ALSO PRESENT: Anthony Nicks, County Auditor; Queena Jenkins, Deputy County Auditor; Shauna Herbert, Audit Manager; Tracee Shields, Auditor III; Christine McClain, Auditor II; Ebony Johnson-Battle, Investigative Analyst; Sharon Whitmore, Chief Financial Officer, Ray Turner, Deputy Finance Director

ADOPTION OF AGENDA: A call was made by Commissioner Bob Ellis to approve and adopt the agenda at 11:05 a.m. The motion was seconded by Chairman Robert Pitts.

The motion passed by the following vote:

Yeas: 3

Nays: 0

RATIFICATION OF MEETING MINUTES: The meeting minutes from March 14, 2024, were reviewed, accepted and approved. **A motion was made by Commissioner Bob Ellis, to approve and seconded by Chairman Robert Pitts 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

Audit updates were presented by Shauna Herbert, Audit Manager. Ms. Herbert stated that the following audits were completed: The Magistrate Court Audit, Purchase Card Follow-Up Audit, Tax Assessors' Office Review of Commercial Properties Follow-Up Review, Grady Memorial Hospital Memorandum of Understanding Compliance Review, Georgia Security and Immigration Compliance Act, Registration and Elections Absentee Voting Process Review, and the Treasury Gift Card Audit.

The HOME Program Monitoring Audit is in the reporting stage, with a final report to be issued in July 2024. The Juvenile Court Audit is in the fieldwork stage, a draft report will be issued in July 2024, and the Travel and Training Audit is in the preliminary stage. Additionally, we continue to perform analytical reviews, using the TeamMate analytics data analysis software. The analyses for transactions occurring in the 1st quarter have been completed and a full comprehensive review will be conducted in conjunction with the mandated Purchase Card and Travel Card Audits.

Chairman Pitts inquired about an ongoing investigation. Mr. Nicks advised that the investigation is still ongoing and has not been finalized and further expressed, that updated information will be presented to the board in the coming weeks. Chairman Pitts expressed concern with the investigation regarding the potential financial risk and requested an estimate on the final report date. Commissioner Ellis requested that the Audit Team be allowed to complete a thorough investigation, considering the personnel matters involved. Mr. Nicks and Chairman Pitts agreed.

Commissioner Ellis asked if material progress was found with the Tax Assessors Audit. Ms. Jenkins advised that the department did make material progress. However, there was concern regarding the number of invalid properties. After further investigation with neighboring counties, the number was found not to be significantly egregious. Mr. Nicks advised that there were other concerns to be addressed at the state level which are still outstanding. Commissioner Ellis requested a follow-up be conducted with the Tax Assessors Office to determine if there is a proactive plan in place to address recent changes in state legislation, and Mr. Nicks agreed.

There was an inquiry from Commissioner Ellis surrounding any potential follow-up regarding the Magistrate Court. Mr. Nicks advised that the follow-up should be completed in 6 months. Additionally, Commissioner Ellis asked about ongoing process reviews for the Registration and Elections Absentee Department. Commissioner Ellis recommended Mr. Nicks make a proposal to the Board of Registration and Elections to present the review, in an effort to be proactive. Mr. Nicks agreed.

Commissioner Ellis inquired about the Forensic Audit regarding the Sheriff's Office Inmate Welfare Fund, and Mr. Nicks advised that additional information was requested from the Sheriff's Office. Cherry Bekaert anticipates completion of their review within the next two weeks. Mr. Jay

Small, citizen member, inquired about the sample size and the potential receipt of an analysis regarding documents not received. Mr. Nicks advised that the sample selection was not reduced, and they anticipate receiving all requested documents.

Mr. Ambu Jain, citizen member, inquired about the overall assessment of the Tax Assessor's Office annual appraisal of commercial properties, in comparison to the sale prices. He further inquired about the sample size of properties reviewed. Queena Jenkins, Deputy County Auditor, advised that 311 properties were sampled for the review. She further advised that 87% were within the 95% threshold. Of the 13% that did not fall within the threshold, most were in the appeals process. Mr. Jain asked if the justification for the difference between appraised value and sales prices was satisfactory. Ms. Jenkins confirmed.

Mr. Robert Koncerak, citizen member, inquired about compliance regarding the Grady Memorial Memorandum of Understanding. Mr. Nicks confirmed compliance and improvement and further advised that the new charter may not require the department's review in the future.

Chairman Pitts inquired about the investigation regarding Cultural Affairs. Mr. Nicks advised that it is still an ongoing investigation and additional information will be provided at a later date. Chairman Pitts asked about the authority to compel employee cooperation in an investigation and the use of subpoenas. Mr. Nicks recommended consulting legal regarding subpoenas. Chairman Pitts also inquired about handling situations where an employee refuses to participate or submit requested documents, to which Commissioner Ellis responded, the data must be submitted.

Commissioner Ellis inquired about the legislative changes impacting the Tax Assessor's office, regarding the appeals. Ms. Jenkins confirmed that the 1099 process will be terminated moving forward.

Purchase Card/Travel Card Analysis

Tracee Shields, Auditor III, shared the analysis reports for The Purchase Card and Travel Card for the first quarter of 2024. Mr. Small inquired about a breakdown of Amazon spending and Ms. Shields advised she would look into an efficient method to retrieve more in-depth information regarding Amazon purchases. Mr. Nicks proposed a deeper dive be completed for Amazon purchases. Mr. Small further inquired about the County's policy regarding reimbursement for expenses purchased on employee personal cards for purchases related to County business. Ebony Johnson-Battle, Investigative Analyst, advised that the vendor has to be registered and the MCC code must be approved. Mr. Nicks advised that the Finance department has implemented procedures to mitigate and reduce fraud. Commissioner Ellis confirmed that fraud was identified in the past through the P-card/T-card analyses.

Whistleblower Hotline/Fraud Hotline Update

Ms. Johnson-Battle reported that 33 Whistleblower cases were received in 2024, which brings the total number of cases to 353 received since the inception of the hotline. A total of 13 new employee presentations have been conducted in 2024, with 218 new employees being made aware of the Whistleblower hotline. Mr. Jain inquired about the cause of the increase in cases. Mr. Nicks advised that the awareness of the hotline is driving the increase. Mr. Small confirmed if the hotline is currently active for non-employees. Mr. Nicks confirmed. Mr. Small requested an analysis of how many cases were internal versus external. Mr. Nicks agreed.

Title VI

Ms. Jenkins reported that the Title VI Coordinator is currently reviewing subrecipients. Five reports under HIV Elimination have been completed and distributed. A total of 232 language calls have been completed in the last quarter. Of the 232 calls, 219 were Spanish, which was the most requested language. The top department users were Juvenile Court and Customer Service.

NEW BUSINESS:

Mr. Nicks gave a brief overview of the Annual Report. There were no questions regarding the report.

Ms. Whitmore reported that the finance team has made significant progress with bringing the payroll bank account current through 2023. The Finance Department is in the process of making the 2024 accounts current. Additionally, reporting capabilities have been restored and are stable. Mr. Turner advised that a multi-month reconciliation process will be put in place, instead of a one-month reconciliation process. Furthermore, a temporary employee and an intern have been acquired to lessen the risk of future delays regarding the bank reconciliation process. Ms. Whitmore reported that financial reporting for the audit has been completed and the 2023 financial statements have been issued. Additionally, the ERP system will be upgraded to assist in automating the reconciliation process.

Commissioner Ellis advised that the Cherry Bekaert review regarding the procurement procedures was shared with the Board of Commissioners. As a result, policy changes related to constitutional officers were adopted. Additionally, constitutional officers shall follow the County's procurement processes and may execute contracts without board approval. Ms. Whitmore reported that 8 of the Cherry Bekaert recommendations are in the process of being implemented. The Purchasing and Contract Compliance Department did not agree with 4 of the recommendations. Ms. Whitmore shared the recommendations in disagreement. Mr. Koncerak inquired about purchasing authority thresholds within the County for managers. Ms. Whitmore advised that the purchasing authority thresholds are lower than average. As such, there was no recommendation made to increase the thresholds, as they were increased within the last two years.

OTHER BUSINESS:

Mr. Nicks led the discussion regarding the self-assessment and the Charter for the Audit Committee. Mr. Koncerak expressed concerns regarding the audit cycle. Mr. Nicks advised that more resources and staff are needed to tackle a more proactive audit cycle. Mr. Nicks further discussed the process of conducting audits and noted that additional information can be found in the CAFR.

Commissioner Ellis discussed the possibility of incorporating an IT auditor into the department. Mr. Small explained the benefits of incorporating an IT auditor. Commissioner Ellis recommended following up to obtain additional information on incorporating an IT Auditor. Mr. Nicks agreed. Commissioner Ellis and Chairman Pitts will discuss the expansion of the Audit Committee and an increase in meetings. Commissioner Ellis recommended increasing the Audit Committee meetings from 4 to 6 meetings annually and Mr. Small agreed.


Mr. Jain inquired about the visibility of the implementation of corrective actions for departments. Commissioner Ellis explained the process of following up with the county departments. He further recommended strengthening the process of reporting any improvements made within the departments after the audits. Mr. Jain expressed concern regarding staffing limitations pertaining to the lag time involved in following up with the departments. Ms. Jenkins advised that TeamMate may have a tool to assist in following up with the departments. Ms. Whitmore discussed the possibility of incorporating a process within the budget process to inquire about additional resources needed to address audit findings. Ms. Whitmore further discussed the benefits of senior management’s engagement in addressing audit findings.


Commissioner Ellis recommended a standard letter be issued to departments on an annual basis, regarding the audit expectations and employee obligations related to internal audits. Mr. Nicks and the committee agreed.

ADJOURNMENT

There being no further business, the meeting adjourned at 12:42 p.m.

Respectfully submitted,

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 Anthony Nicks, County Auditor

Signed by:

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 Jonah Williams, Auditor III