

**INTERAGENCY INTERNAL AUDIT AUTHORITY  
OPEN SESSION MINUTES  
December 17, 2014**

The Interagency Internal Audit Authority (IAA) met at 8:00 a.m., December 17, 2014, in the 2<sup>nd</sup> floor Winchester Conference Room of Winchester Hall, 12 E. Church Street, Frederick, Maryland. Those present were:

IAA Members: Steve Darr (Chair), Bob Kimble, Eric Wu, Colleen Cusimano, and Doris White

IA Staff: Tricia Griffis and Dawn Reed

FCC Staff: None

FCPS Staff: None

FCG Staff: Lori Depies

Contractors: None

External Auditors/Guests: None

Mr. Steve Darr called the IAA open meeting of December 17, 2014 to order at 8:35am.

Approval of Open Minutes

**Ms. Colleen Cusimano made a motion to approve the open meeting minutes of November 19, 2014, seconded by Ms. Doris White. All those present were in favor and the motion passed unanimously.**

Status of Assignments

- **Cotton & Co: FCC Timesheet Controls** – Ms. Tricia Griffis said the testing that began in November is now finishing up and said Cotton is planning on having a draft to us in early January 2015. She said there isn't really anything for further discussion at this time.
- **Cotton & Co: FCG, Fire & Rescue Financial Transactions Audit** – Ms. Griffis said we were supposed to receive a draft from Cotton sometime yesterday but they have again revised their draft submission date to January 5, 2015. She said an email was sent stating her displeasure with another new revised date.
- **Misc. Follow-ups**: Ms. Griffis said a follow-up memo did go out to F&R on their Apparatus audit and they are already gathering their information on this. She said they are on track for the January 12, 2015 requested date. Ms. Griffis said we probably still won't be able to close this audit out at that time due to some of the recommendations still be implemented and in process.

FY16 Base Budget

Ms. Griffis said the FY16 Program Budget was submitted on time to the Budget Office and was approved on December 2, 2014. She said this budget will still need adjustments based on the approval of Ms. Dawn Reed's full time position and Ms. Griffis' salary change and the Budget Office is aware of those issues. Ms. Griffis said the funding that was transferred to the County Manager's Office upon Ms. Kelly Hammond's transfer will no longer be coming back to the Internal Audit Division's budget.

Ms. Griffis said she also put together a cost analysis for contractor vs. internal audit staffing mix because she is aware that the new County Executive is not in favor of contracting out some services. She said she would discuss further in a closed session.

Risk Assessment

Ms. Griffis said she would be starting again with the Director meetings in January and will be putting together a new work plan at that time as well.

Special Projects

Ms. Griffis said the first special project will be the Towing Procedures. She said a meeting is scheduled with Diane George for tomorrow morning and then will go to Emergency Management and meet with them. Ms. Griffis said the new towing procedures have been in effect for almost a year and now is a good time to start this special project to ensure current procedures are working.

Ms. Griffis said the Management Turnover special project will begin. She said she amended the task order to put in scope limitations to a salary range. She said she will also put in a scope based on the budgets for each department. Ms. Griffis said she plans to begin this special project just after the towing project gets started and expects to have it completed by February.

Ms. Griffis said she has started to look at the FCC Overtime Analysis, which the President of FCC had requested. She said she has already looked at what their overtime was for the three fiscal years to get an idea of what they really needed. Ms. Griffis said in FY12, their overtime was \$15,000, in

FY13 it was \$20,000, and in FY14 it was \$47,000, noting this as the largest increase. She said we will probably not be able to start this special project until sometime in February 2015 due to their payroll not being able to get a breakdown by individual at this time in addition to them changing over some software programs, which effects the payroll department.

**Ms. Colleen Cusimano made a motion to accept and issue this task order as a special project to the Internal Audit Division Staff as submitted and written, seconded by Mr. Eric Wu. All those present were in favor, and the motion passed unanimously.**

Ms. Griffis said she was contacted by the Frederick County Sheriff's Office and they would like us to look into their policies and procedures for courthouse records and the management of collection of fees at the courthouse. She said their concerns were that it is an old system with paper receipts. Ms. Griffis said this would be a task order to issue to the contractor as one of their first audits. She said she would put together a task order for approval at the January meeting.

#### Other Business

- **Cotton's Contract Extension** – Ms. Griffis said the notification of contract extension has been issued. She said their contract has been extended through March 2015.

**Mr. Bob Kimble made a motion to extend the contract of Cotton and Company, LLP for a period of three months, through March 2015, seconded by Ms. Colleen Cusimano. All those present were in favor and the motion passed unanimously.**

- **RFP** – Mr. Steve Darr said the two contractors that were selected are SC&H and Clifton, Larson, and Allen. Ms. Griffis said the contract award letters were just sent out to the winning companies yesterday. She also wanted to point out that the County Executive had questioned the issuance of a 2-year contract. Ms. Griffis said if the IIAA wanted to change that now, the signed contracts would have to be rescinded and new contracts would need to be issued. She also pointed out that this would not be her recommendation as most companies would not even engage in a one-year contract and that the process of completing an audit from start to finish would need more time. The IIAA agreed and asked Ms. Griffis to prepare and submit a letter to the County Executive with such explanations.
- **Fraud Hotline** – Ms. Griffis said there are none for the County. She said FCC is still not interested to be included on our system. Ms. Griffis said FCPS had a few issues but mostly rendered to be closed. She said we can discuss further in a closed session.
- **Office Move** – Ms. Griffis wanted to let the IIAA know that her office has changed from one side of the suite to the other side next to Ms. Dawn Reed.
- **IIAA Meetings** – Ms. Griffis said at that request of the County Executive, we would like to adjust the meeting time going forward and beginning with the January 2015 meeting. She said the IIAA meeting will still take place on Wednesday, but the time will be moved to 8:30am to allow time for the County Executive to attend. The IIAA were all in agreement.
- **IIAA Resolution** – With a new form of Government, Ms. Griffis said we need to take a look at how we want our IIAA to be set up. The IIAA agreed that they do not want an even number of voting members on the Authority. It was also agreed that having a person as a non-voting member would be preferred. Ms. Griffis said she would look into how other Counties are set up and we can discuss further at the January meeting.

**Mr. Steve Darr made a motion to end and adjourn the open session of the meeting and go into a closed session (see closed minutes), seconded by Mr. Bob Kimble. All those present were in favor, and the motion passed unanimously.**

The open meeting adjourned at 9:15am.

Respectfully Submitted,



Dawn Reed  
Administrative Coordinator