



Audit Committee
Meeting Agenda
Thursday, December 12, 2019
4:30 – 5:30 pm
City Hall, Room 301

A. Review and approval of meeting minutes - October 11 and November 8, 2019

B. Status of Audit Work Plan Activity

- Public Utilities Department — Water Business Office
- Central Services Department — Fleet Management Program
- Sheriff's Office — Inmate Medical Services
- Animal Services Department — Animal Shelter

C. FY21 Operating Budget

D. 2020 Audit Work Plan

- Proposed audits for 2019.

E. Next Meeting Date – TBD

Attachments:

1. December 12 - Meeting Agenda
2. October 11 - Minutes for review and approval
3. November 8 - Minutes for review and approval
4. December 2019 – Audit Status Report
5. Audit Topics Under Consideration for 2020

Note: The Audit Committee Meeting is open to the public; however, public comments are not received unless the Committee Chair requests that an individual provide information.

AUDIT COMMITTEE MEETING MINUTES

Friday, October 11, 2019

Committee Members Present:

Commissioner Melissa Link, Committee Chair
Commissioner Ovita Thornton
Commissioner Allison Wright
Commissioner Russell Edwards

Visiting:

Deborah Lonon, Assistant Manager
Charlotte Sosebee, Board of Elections
Michael Smith, Community Citizen

Committee Members Absent:

Commissioner Patrick Davenport

Staff:

Stephanie Maddox, Internal Auditor
Jill Arquette, Management Analyst
Deborah Allen, Recorder

Chair Link called the meeting to order at 1:05 pm.

A. Approval of Minutes:

The Committee approved the Minutes of the September 11, 2019 meeting.

B. Work Plan Update:

Internal Auditor Maddox updated the committee on the annual work plan:

- Sheriff's Office – Inmate Medical Services
- Public Utilities Department – Water Business Office
- Central Services Department – Fleet Management Program
- Manager's Office – Animal Services

C. 2019 Work Plan:

The committee discussed the work plan for the Animal Services audit.

D. General Discussion:

Staff presented a mock beta test of the risk assessment tool.

Commissioner Wright made a motion that a complete example of the risk assessments from UGA and Gwinnett County along with risk assessments from two other unified governments such as Macon/Bibb, Augusta/Richmond, or Savannah/Chatham be provided to the Audit Committee. Motion seconded by Commissioner Thornton. All members voted aye.

The Committee discussed moving to a multi-year audit plan.

Commissioner Wright needed to leave but stated that she appreciated the points summarized and the reading material to be sent prior to the next meeting.

E. Items for Discussion at November 8, 2019 meeting:

- Alternative audit selection tool: questionnaire and correlating heat map
- Multi-year audit plan
- Proposed audits for the current year

The next meeting is scheduled for Friday, November 8, from 1:00 – 2:00 p.m., City Hall.

Commissioner Edwards motioned to adjourn the meeting. Commissioner Thornton seconded the motion. The meeting adjourned at 2:15 p.m.

The above summation is an interpretation of the items discussed and decisions reached at the above-referenced meeting, not a transcript of the meeting. Verbatim minutes of the meeting are available on the department's webpage at <https://www.accgov.com/operationalanalysis>.

AUDIT COMMITTEE MEETING MINUTES

Friday, November 8, 2019

Committee Members Present:

Commissioner Melissa Link, Committee Chair
Commissioner Ovita Thornton
Commissioner Allison Wright
Commissioner Russell Edwards

Visiting:

Blaine Williams, Manager
Deborah Lonon, Assistant Manager
Josh Edwards, Assistant Manager
Judd Drake, County Attorney
Glenn Coleman, Interim Public Utilities Director
Michael Smith, Community Citizen

Committee Members Absent:

Commissioner Patrick Davenport

Staff:

Stephanie Maddox, Internal Auditor
Jill Arquette, Management Analyst

Chair Link called the meeting to order at 1:05 pm.

A. Approval of Minutes:

Discussion was made regarding the reduction of information provided in the abbreviated Minutes and members requested more content be included. Commissioner Edwards moved to hold adoption of the October 11, 2019 Minutes until updated. Seconded by Commissioner Wright. All members voted aye.

B. Work Plan Update:

Internal Auditor Maddox updated the committee on the annual work plan:

- Public Utilities Department – Water Business Office
- Central Services Department – Fleet Management Program
- Sheriff's Office – Inmate Medical Services
- Manager's Office – Animal Services

C. General Discussion:

Commissioner Wright and Commissioner Edwards expressed concern with the verbatim Minutes being posted publicly. Commissioner Wright moved that the verbatim minutes not be posted until the full Audit Committee is present to vote on whether to post the verbatim Minutes. Commissioner Edwards seconded. All members voted aye.

Commissioner Wright requested clarification on the completion status of the audits. The status update document showed that the Water Business Office Audit was 100% complete yet the Department has not received the completed audit. Commissioner Wright motioned to have the Status Update Report updated and sent out to committee members next week. Commissioner Edwards seconded the motion. All members voted aye.

County Attorney Judd Drake discussed the liability associated with the inmate medical review and recommended that the audit focus on the contract agreement between Armor Medical and the Clarke County Sheriff's Office.

OOA staff presented the updated Risk Assessment questionnaire with the results from a beta test of two ACC departments. Commissioner Thornton motioned to have the Risk Assessment questionnaire be presented to the full Commission for approval in December and sent to all departments of ACC. Commissioner Wright seconded the motion. All members voted aye.

Commissioner Wright motioned to postpone the multi-year audit plan discussion. Commissioner Edwards seconded the motion. All members voted aye.

D. Items for Discussion at December 5, 2019 meeting:

- Alternative audit selection tool and questionnaires
- Proposed multi-year audit plan

The next meeting is scheduled for Thursday, December 5, from 4:30 – 5:30 p.m., City Hall.

Commissioner Wright motioned to adjourn the meeting. Commissioner Edwards seconded the motion. The meeting adjourned at 2:29 p.m.

The above summation is an interpretation of the items discussed and decisions reached at the above-referenced meeting, not a transcript of the meeting. Verbatim minutes of the meeting are available on the department's webpage at <https://www.accgov.com/operationalanalysis>.

AUDIT STATUS REPORT

DATE: December 12, 2019

TO: Audit Committee

FROM: Stephanie Maddox, Internal Auditor
Office of Operational Analysis (formerly, the Auditor's Office)

SUBJECT: Status of Work Plan Activity

The following table summarizes the current status of each audit according to audit stages. A description of the audit stages is below the table.

WORK IN PROGRESS

Audit	Status The percentage indicates the completion level	Completion Forecast
Clarke County Sheriff's Office – Inmate Medical Services Contract	Pre-Audit Planning – 100% Discovery Stage – 90% Analysis – 60% Conclusions – 0% Recommendations – 0%	<ul style="list-style-type: none"> • Review of medical services contract with Armor Medical. December 2019
Public Utilities Department – Water Business Office	Pre-Audit Planning – 100 % Discovery Stage – 100% Analysis – 100% Conclusions – 95% Recommendations – 95%	<ul style="list-style-type: none"> • Exit Conference conducted with the department. December 2019
Central Services Department – Fleet Management Program	Pre-Audit Planning – 100% Discovery Stage – 95% Analysis – 90% Conclusions – 85% Recommendations – 85%	<ul style="list-style-type: none"> • Schedule final interview with Assistant Finance Director, TBD January 2020
Animal Services Department – Animal Control	Pre-Audit Planning – 15% Discovery Stage – 20% Analysis – 10% Conclusions – 0% Recommendations – 0%	<ul style="list-style-type: none"> • Develop surveys February 2020

AUDIT STAGES

Pre-Audit Planning: OOA staff conducts literature reviews, identifies benchmark communities, research best practices, develops pre-audit survey(s), and requests documents related to the audit client. OOA staff conducts pre-conference meeting with the audit client/department (Dept. Director); discuss the audit process, the timing of fieldwork, and answer any questions.

Discovery: Interviews, information validation, observations and surveys. As this stage is critical to the preparation of a complete and meaningful audit, it consumes the majority of time involved.

Analysis: Assigning meaning/value to the information; determining what it reveals related to the scope of the audit. Defines systems, processes and practices in terms of effectiveness and efficiency.

Conclusions: Identifies and describes constraints and opportunities regarding developments and implementation of needed improvements.

Recommendations: Suggests action that can be taken in consideration of the constraints and opportunities.

Proposed Audits for Calendar Year 2020

	Department Audit Topic(s)	Additional Information	Proposed Audit Scope
1.	Animal Services Department Approved	<p>Newly established department placed under the Manager's Office.</p> <p>Areas of interest:</p> <ol style="list-style-type: none"> 1. To better protect the health and safety of animals in the Athens-Clarke County Animal Shelter. 2. Evaluate existing operating procedures; do employees know how to access and use them. 3. Do staffing levels meet minimum national standards for providing care to shelter animals. 4. Review the existing animal database- are reports accessible 5. Role of nonprofit partners in funding assistance and adoption procedures. 6. Are staff properly trained to perform the duties of their jobs. 	<p>Objective and Scope:</p> <p>The objective of the audit is to evaluate Animal Services operations as compared to best practices and to determine whether they comply with applicable laws, regulations, and policies. The audit will focus on animal kennel care, shelter sanitization, policies and procedures, staffing, training, drug inventory management, and the department's automated information system.</p> <p>Proposed scope</p> <ul style="list-style-type: none"> • Analyze staffing levels needed to properly care for the animals within the shelter. • Review shelter sanitization protocols to prevent the spread of pathogens leading to disease. • Review the training practices established for length of time and skill development. • Review impound protocols for health issues. • Review certifications of staff to perform assigned duties within State regulations. • Review departmental euthanasia policies and practices. • Review budgetary allocations related to the annual operating budget for Animal Services.
2.	Finance Department Purchasing Division	<p>Purchasing Card (P-Card) Program</p> <ol style="list-style-type: none"> 1. High value transactions and high amounts per month across multiple transactions 2. Duplicate and split transactions 4. Late or missing cardholder or manager approvals 5. Keyword search could reveal personal transactions or other violations 6. Maximum spending limit/day (per transaction) 7. Are itemized receipts reviewed 8. In FY19 the Purchasing Division issued 323 P-cards 	<p>Objective and Scope:</p> <ul style="list-style-type: none"> • Assess Internal Controls and processes/procedures of the P-card program. • Are cardholders in compliance with the P-card policy • Evaluate P-card reconciliation process • Conduct financial transaction analysis to determine if unauthorized purchases are approved • Is consistent documentation submitted by P-card users • Determine if internal control weaknesses exist
3.	SPLOST Program	<p>Areas of interest:</p> <p>One SPLOST program. For example, SPLOST 2011.</p>	<p>Objective and Scope:</p> <ol style="list-style-type: none"> 1. Administrative Oversight 2. Project Savings 3. Local Contractor support 4. Citizen input and user group viability (are impacted citizens properly included in final project design process?) <p>Do the details of the final project design match the original intent of the project as presented to the original citizen committee?</p>
4.	Grant Mgmt. Program Administration, Compliance and Oversight	<p>Common findings</p> <ul style="list-style-type: none"> • Untimely report submissions • Lack of documentation • Inadequate monitoring of subrecipients • Inadequate time/effort reports • Commingling of funds • Excess cash on hand • Unallowable costs • Inappropriate changes • Conflicts of interest 	<p>Objective and Scope:</p> <ul style="list-style-type: none"> • Evaluate performance oversight and program outcomes • Evaluate grant process (programmatic, budgeting, accounting, etc.) • Are grant resources utilized in accordance with the contract • Determine if training is needed
5.	Board of Elections	<p>Risks unique to the elections process</p> <ol style="list-style-type: none"> 1. Segregation of Duties 2. Document Management 3. Policies and Procedures 4. Reduced Confidence 5. Voter Registration Systems 6. Transmission based risks - Poll books 	<p>Objective and Scope:</p> <ul style="list-style-type: none"> • Determine whether BOE has the controls in place to ensure an accurate, fair, and efficient election • To assess the effectiveness of BOE's efforts to comply with reporting and disclosure requirements • Determine if the BOE has administrative rules, policies and procedures in place • Assess the effectiveness of BOE's efforts to comply with reporting and disclosure requirements