

**FULTON COUNTY AUDIT COMMITTEE MEETING**

March 14, 2024

Fulton County Government Center  
4<sup>th</sup> Floor  
Atlanta, Georgia 30303

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**MINUTES**

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Ratification Date: July 11, 2024

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**CALL TO ORDER:** Commissioner Bob Ellis 12:00 p.m.

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

**ALSO PRESENT:** Anthony Nicks, County Auditor; Queena Jenkins, Deputy County Auditor; Shauna Herbert, Audit Manager; Tracee Shields, Auditor III, Jonnah Williams, Auditor III; Christine McClain, Auditor II; Trina Alston, Title VI Coordinator; Ebony Johnson-Battle, Investigative Analyst; Sharon Whitmore, Chief Financial Officer, Christian Fuellgraf, Cherry Bekaert (Virtual), Paul Folkers, Cherry Bekaert (Virtual), Georgia Tucker, Cherry Bekaert (Virtual)

**ADOPTION OF AGENDA:** A call was made by Commissioner Bob Ellis to approve and adopt the agenda at 12:05 p.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 January 11, 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 Magistrate Court Audit and the Tax Assessors' Office Review of Commercial Property Audit are in the reporting stage, with draft reports anticipated by the end of March, 2024. The Purchase Card Follow-Up Audit is in the reporting stage, with a final report anticipated by the end of March, 2024.

The Grady Memorial Hospital Memorandum of Understanding, Compliance Review is pending the completion of Cherry Bekaert's review. Once complete, the Audit department will perform a final review and issue a report shortly thereafter.

The Georgia Securities Immigration Compliance Act (GSICA) Audit and the Treasury Gift Card Audit are both in the planning stage. Notifications were submitted to the departments on February 26, 2024, and March 7, 2024, respectively.

### Purchase Card and Travel Card Continuous Review

Analytical reviews are ongoing, using the TeamMate analytics data analysis software. The analysis for transactions occurring in the 4th quarter (October - December 2023) has been completed. A full comprehensive review will be conducted in conjunction with the mandated Purchase Card and Travel Card Audit.

Commissioner Ellis requested a discussion regarding the impact of the cyber-attack, on the Audit team's ability to execute the 2024 audit Plan.

### Procurement Review Presentation

Anthony Nicks, County Auditor, introduced Cherry Bekaert Accounting Firm to the committee. Christian Fuellgraf, Cherry Bekaert, gave a brief overview of their background and the purpose of the engagement. The purpose was to identify risks and opportunities for improvement, regarding the County's procurement process. A risk-based approach was used to conduct the review.

Mr. Fuellgraf advised that the thresholds the County has in place are lower than most jurisdictions, resulting in the circumvention of the County's procurement processes by particular departments. Mr. Fuellgraf recommended the renewal process be evaluated for efficiency. Mr. Fuellgraf recommended the departments be required to report back to the Board of Commissioners if the procurement process is circumvented. Mr. Fuellgraf further recommended a review of state legislation to address the procurement authority at the county level. Mr.

Fuellgraf discussed how indirect costs can impact revenue for the County. He recommended an increase in training, regarding procurement.

Mr. Fuellgraf advised that they noted a lack of transparency and accountability when processes are taking place outside of the procurement department. The Sheriff's Office and the District Attorney's Office were identified as high-risk areas. Mr. Fuellgraf advised that the authority within the District Attorney's Office, based on the code, may be misinterpreted within the department. Subsequently, the department may be operating outside of the intended authority. Chairman Pitts requested the County Attorney's office provide the specific code regarding the authority within the District Attorney's Office.

Mr. Nicks, along with Mr. Bob Koncerak, citizen member, expressed concerns with the report presented by Cherry Bekaert, regarding the strength of the risks not being highlighted in the report. Mr. Fuellgraf agreed to incorporate a supplemental appendix.

The committee discussed case law that supports the Sheriff's autonomy regarding the procurement process. The committee further discussed takeaways, regarding Cherry Bekaert's report and presentation. Mr. Ambuj Jain, citizen member, and Mr. Koncerak expressed concerns as Fulton County citizens, with the risks presented in the report. Mr. Jain expressed further concern with the lack of transparency and visibility regarding the procurement process. Mr. Nicks confirmed the next steps with the committee.

#### Whistleblower Hotline/Fraud Hotline Update

Mr. Nicks advised that the department is in the process of investigating matters, to be discussed at a later date. Mr. Nicks confirmed that there have not been any complaints or allegations received via the hotline, related to theft or misappropriation. Mr. Jain inquired about the process of following up with departments that have existing complaints from the hotline. Mr. Nicks explained the Audit Department's role in investigating, following up, and referring the complaints to the appropriate department, if need be.

#### Title VI

Trina Alston, Title VI Coordinator, reported that Title VI has not been impacted by the cyber-attack. She further reported that this is a subrecipient year and she has received the necessary information from the grants department to begin the onsite visits for the subrecipients.

#### **OTHER BUSINESS:**

Mr. Nicks discussed limitations within various departments impacting the Audit Department's ability to collect data needed to complete audits. Mr. Nicks requested feedback on how the Audit Department can add value to the County, given the current circumstances. Sharon Whitmore, Chief Financial Officer, discussed the current status of the County, regarding system access and printing capabilities. Ms. Whitmore agreed to contact IT to determine when the information

requested for the forensic audit can be made available. Mr. Nicks requested feedback on auditing in the current environment. The committee recommended presenting the 2024 Audit Plan to members of management to determine barriers, if any, due to the cyber-attack and system access, pertaining to their ability to participate in audits. Mr. Koncerak recommended creating an audit cycle to present in the future. Ms. Whitmore advised that county departments are recovering from the cyber-attack but should be in a good position to provide most documents needed for an audit.

Commissioner Ellis recommended the audit team consider doing a review of the response plan, regarding the cyber-attack, to document manual workarounds, system-dependent areas of concern, etc. Ms. Whitmore advised that Ernst and Young (E&Y) has been engaged to assist in creating a management dashboard and process improvement. Ms. Whitmore suggested contacting E&Y to determine areas of concerns they've identified during their review that can assist the audit team with addressing process improvements. Mr. Nicks agreed, Ms. Whitmore will provide the contact information to Mr. Nicks.

Ms. Whitmore advised that reconciliations have been completed on 26/28 accounts, through December 2023. Of those two (2) accounts are the main clearing account and the payroll account. She further advised that the reconciliation project has been assigned to the Accounting Unit Supervisor due to limitations with access to the financial system. Additionally, a temporary accountant will be hired to help reconcile the payroll account. The Finance Department has not started the reconciliation process for January or February, although the reconciliations will resume, once the info advantage tool is restored.

Ms. Whitmore informed the Committee that the Annual Audit entrance conference was conducted with the External Auditors, PJC Group. The goal is to complete and issue the Financial Statement Audit by June 15th. Mr. Koncerak inquired about system access and separation of duties. Ms. Whitmore went into further detail regarding the separation of duties within the departments and confirmed that no data was lost as a result of the cyber-attack.

## ADJOURNMENT

There being no further business, a motion was made by Commissioner Ellis to adjourn the meeting. The meeting adjourned at 2:18 p.m.

Respectfully submitted,

DocuSigned by:



Anthony Nicks, County Auditor

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Jonnah Williams, Auditor III