

## Arlington County Audit Committee

**\*\*DRAFT\*\*** Meeting Minutes: September 19, 2016 **\*\*DRAFT\*\***

2100 Clarendon Blvd., Room 311

4:30 pm – 6:30 pm

### Attendees:

#### Audit Committee Members:

Jay Fisette, Board Vice Chair  
John Vihstadt, Board Member  
Mark Schwartz, County Manager  
Maria Meredith, Acting Director, Department of Management and Finance (DMF)  
Tenley Peterson, Citizen Member  
Hal Steinberg, Citizen Member  
Nancy Tate, Citizen Member

#### Guest Speakers:

Kevin Doyle, Internal Audit, Department of Management and Finance (DMF)  
Sadia Sattar, Fire Department  
Kim Rucker, Treasurer's Office  
Carolyn Meadows, Treasurer's Office  
Marcy Foster, Director, Human Resources  
Laurie Moore, Human Resources  
Lou Cannon, RSM US, LLC Partner

#### Citizens:

Tim Wise, Citizen

### Meeting Summary:

#### Approval of Minutes

The Committee voted 7-0 to approve the Draft minutes of the July 11, 2016 meeting as presented.

#### County Auditor Recruitment Status

Ms. Foster and Ms. Moore provided an updated on the recruitment.

The position was posted on 7/23/16.

The County has received about 50 applicants. 6 applicants were selected for phone screening which were conducted by Mary Beth Chambers (DMF Internal Audit), Maria Meredith (DMF, Acting Director), Melissa Beebe (Human Resources), Glenda Pittman (DHS Finance and Information Systems Division Chief).

The position was posted at 17 different websites including government job sites, indeed.com, targeted organizations for auditing and accounting professionals, etc.

Two candidates will move forward to an interview with Jay Fisette, John Vihstadt, Michelle Cowan and Hal Steinberg. One new candidate has recently applied that will go through the phone screening process. It was agreed that interviews should be held sooner rather than later so as not to potentially lose candidates.

#### Ambulance Fee Billing Audit: Contract oversight and Revenue Management, Management Response

Chief Reshetar could not attend and Sadia Sattar presented in his place.

It was noted that the report was modified to include changes that the Treasurer's office had made to the report and that were accepted by Ms. Tucker before she left per emails between Ms. Tucker and Ms. De la Pava, Treasurer.

Ms. Sattar walked the Committee through the findings and the associated management responses. The Audit Committee reviewed each of the findings of the Report in detail. From a big picture perspective, the Fire Department felt that while the vendor for Ambulance Management Billing - MED3000 was responsive, they could be better.

Ms. Rucker discussed the finding and response relative to the Treasurer's Office. She expressed interest that in the future all stakeholders be interviewed and involved throughout the audit process. She also suggested

that if MED3000 would turn over accounts sooner that the Treasurer's Office might be more successful in their collection efforts.

Ms. Rucker and Ms. Sattar noted that the Fire Dept. and Treasurer's office are working collaboratively to improve processes, revise language on letters to ambulance transportees for clarity, and to develop better reporting.

Ms. Tate stated that she found the format provided for this first Audit Report as easy to read.

Ms. Peterson asked if the audit was beneficial and Ms. Sattar felt that while painful at times, the outcome was positive.

Ms. Tate suggested that recommendations from the committee be collected for future consideration. These included:

1. Audit Committee should discuss as part of protocol development, the timing of hearing back from an Auditee on the usefulness of the report and status on remediation efforts included in the Management Response. The timing may be relative to the magnitude/severity/materiality of findings.
2. Mr. Steinberg stressed the importance of written policies and procedures. He also suggested that departmental financial polices be reviewed by a second set of eyes, potentially the Dept. of Management and Finance.
3. Ms. Tate suggested that consideration be given to posting Final Audit Reports on the relative Department's web page in addition to the County Board Auditor's and Audit Committee's web pages.

Discussion ensued on what next steps were in terms of processing the report. Mr. Steinberg made a motion to accept the Ambulance Fee Billing Audit: Contract Oversight and Revenue Management as written. The motion was seconded by Ms. Tate and approved 7-0. Next, Mr. Fisette and Mr. Vihstadt will offer other County Board members the opportunity to review the report and request a briefing. Ms. Meredith will coordinate any briefings requested. It was discussed in the future, that the report will not be posted until Final and approved by the County Board.

#### **Discussion of County Auditor and Audit Committee Protocols**

RSM US, LLC an international accounting and auditing company currently under contract with County to assist DMF Internal Audit with conducting audits, provided a draft scope of work to assist the Audit Committee and the County overall in developing a detailed framework of protocols to assist in the planning, execution, quality control, reporting and follow up of audits performed by the County Board Auditor. Mr. Cannon discussed that the proposed scope of work includes also providing assistance in developing the roles and responsibilities and interactions of the Board Auditor, the County Board, County Board Liaisons, County Manager, Audit Committee, Fiscal Affairs Advisor Commission, Public, Auditees, and DMF Internal Audit, etc.

Mr. Schwartz made a motion to accept the Statement of Work with minor modifications as suggested during the meeting. Ms. Tate seconded the motion and it was approved 7-0.

#### **Risk Assessment – Internal Audit Work Plan**

Mr. Cannon reviewed the County's Internal Audit Risk Assessment and Work Plan. He reviewed the methodology for their recommendations and the basic protocols for how Internal Audits have been and are conducted. Ms. Meredith provided a handout with an updated status on the audits completed in FY15, FY16 and what is currently underway or planned for FY17. All completed audits are posted on the Internal Audit page of the County's website. It was agreed that should the Audit Committee have any additional questions that they be sent in the next week to Ms. Meredith.

#### **Other Agenda Items**

Due to time constraints, the Committee was unable to receive the Update on the Financial Fraud, Waste and Abuse Hotline or discuss the Board Auditor's Draft Work Plan.

**Next Audit Committee Meeting**

The next meeting was tentatively scheduled for November 16th, 2016 from 4:00-6:00pm

The agenda will tentatively include:

1. Introductions
2. Approval of the September 19 Meeting Minutes
3. County Auditor Recruitment Status – Marcy Foster, Director, Human Resources
4. Discussion of County Auditor & Audit Committee Protocols Review – Lou Cannon, RSM US, LLC
5. Update on Financial, Fraud, Waste & Abuse Hotline
6. Discussion of Draft Audit Work Plan
7. Selection of date for Next Audit Committee Meeting

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