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Meeting Minutes for 12, December 2024

Audit Committee Meeting

Audit Committee Members:

Takis Karantonis, Audit Committee Co-Chair (Present)

Maureen Coffey, Audit Committee Co-Chair (Present)

Mark Schwartz, County Manager (Present)

Maria Meredith, Management & Finance Director (Present)

Thelma Askey, Community Member Present (Present)

Luanne Lohr, Community Member (Present)

John Vihstadt, Community Member (Present)

William (Bill) Wiggins, Community Member (Present)

Administrative Attendees:

Wayne Scott, County Auditor (Present)

Mason Kushnir, County Board Clerk (Present)

Civic Federation:

Jackie Snelling (Present)

At 4:41p.m., Co-Chair Takis Karantonis called to order the December 12, 2024, Audit Committee Meeting

Summary:

The meeting of the Audit Committee covered several key items, including one action item requiring approval and three informational items. Item 2, Approval of September 26, 2024, Meeting Minutes, was presented for approval by the Committee. Following this, the Co-Chairs, Takis Karantonis and Maureen Coffey, delivered a report under Item 3. In Item 4, Wayne Scott provided a status update on the Office of County Auditor's FY 2025 Work Plan. Item 5 allowed for discussion of miscellaneous items by Committee Members.

Approval of Minutes from Prior Meeting:

Amended Item 4 to replace "present" with "presented"; Item 7, to remove "a" and leave just "plan development" on the third line down; Item 5, revise "a peer review at this time, as peer review of the office..."; Item 7 Summary last line, to replace "feet" with "fleet"; Item 6, to remove "committee" from the sentence beginning with "He mentioned that the external auditor"...".

Moved by Mr. Karantonis, seconded by Ms. Askey, approved unanimously, by voice vote.

Final revised and approved minutes will be posted to the September 26, 2024, meeting on the Audit Committee website.

Item 3 - Co-Chairs Report.

Ms. Coffey: Mr. Scott presented the FY 2025 Interim Audit Work Plan and the proposed County Board Charge at the most recent County Board meeting. There was some discussion among the Board members, but overall, the presentation was well received. The amended County Board Charge and the Interim Work Plan for the remainder of the fiscal year were adopted, as presented to the Committee during the September meeting.

Mr. Karantonis: Explained and informed the Committee that this would be his last meeting serving as Co-Chair of the Audit Committee.

Item 4 - Status Update - Office of County Auditor FY 2025 Work Plan.

Mr. Scott began by providing an overview of the Audit Work Plan, highlighting key areas such as performance audits, follow-up audits, and audit infrastructure changes. He confirmed that everything remains on track according to the plan for the year. Updates were given on specific audits, including the Housing Grants and the upcoming Specialized Transit audit. Mr. Scott held a discussion on the Housing Grant audit and thanked Mr. Schwartz and his team for their exceptional cooperation and responsiveness. He noted that their prompt attention to timely providing the requested documentation had been key in keeping the audit on track. The audit officially began with a formal announcement on October 9th, and the audit included five test objectives. Four of these test objectives have been completed, with the final one expected to be finished within the next two weeks.

While Mr. Scott is unable to share specific observations at this stage due to the audit process, he emphasized that discussions around potential observations are ongoing. He committed to sharing these once findings have been fully reviewed. The draft report is well underway, and Mr. Scott plans to begin sharing it in a more formal setting shortly after Christmas. The draft report is expected to be issued in late December, with the final report scheduled for release in early January. He reiterated the excellent cooperation of the team throughout the audit, which has helped ensure the process moves forward smoothly. Mr. Scott also reviewed the seven scheduled follow-up audits which two are now complete. He shared progress on revising audit infrastructure, including updates to policies, procedures, and templates. A diagram was shared with the Committee showing the status of updates to the existing policies and procedures. A timeline for full completion was also discussed. A status update on the Assistant County Auditor recruitment process was also provided.

Question & Answer Session:

Mr. Vihstadt: Asked about page three, the meaning of STAR audit for formal announcement versus the pre-planning phase.

Mr. Scott: Clarified that the formal announcement is when the actual notification letter is issued to the client that is under audit. The pre-planning phase is used to work with management to discuss the audit objective and scope.

Mr. Vihstadt: Asked at what point is the director of the appropriate office, notified or alerted?

Mr. Scott: Clarified when the work plan was developed, it was shared with the County Manager so he could share the plan with the team. Also, the audit client is notified via an email prior to sending the formal audit announcement letter to attend a pre-planning meeting to discuss proposed audit objectives, scope, and timing.

Mr. Schwartz: Explained that Mr. Scott has attended two executive leadership team meetings, and they have been encouraging department heads to understand these advance discussions on the work plan development is a positive approach and that the team should expect Mr. Scott is going to need everyone's assistance in advance. The audit work plan was also shared with the full executive leadership team.

Ms. Coffey: Noted that Mr. Scott has also, in addition to going to the executive leadership team meeting, met in a series of one-on-one meetings with each department head and stressed the importance of open communications.

Mr. Vihstadt: Has there been any internal or external audits in recent years that might overlap with the audit objectives to be performed by Mr. Scott to assist with what the auditor is doing on housing grants?

Ms. Meredith: Noted that she doesn't think so.

Mr. Schwartz: The housing grants study released in February 2024 was mentioned. Clarified that during COVID, funds were provided to different organizations for assistance to people who used it for rent. That was not part of the housing grant program. There was an audit of that, because of COVID audit requirements.

Mr. Vihstadt: asked Mr. Scott if he can tell them the five areas that he is looking at?

Mr. Scott: Explained that test objective 1 was the largest test area. That was focused on the grant application intake and ongoing eligibility verification process. Testing included both approved and denied applications. Test Objective 2 is performance measures, how the Housing Assistance Bureau measures the program impact. Application processing time was also included within this testing. Test Objective 3 is around communications with program participants and applicants. Testing also included reviewing the website and the housing grant pamphlet. Test Objective 4 is reviewing the housing grant study to determine the status of recommendations made within the report, and Test Objective 5 is related to the Yardi Voyager application that is used by the Housing Assistance Bureau to process the applications.

Ms. Askey: Inquired if the follow-up audit spreadsheet for police and fire referencing 2 styles of tracking overtime and two technical mechanisms for tracking overtime was that consolidated into one?

Ms. Meredith: Clarified that they will still have two because the systems have different purposes and functionality. One system is for scheduling the overtime and the other is for the calculation of overtime payment. The recommendation in the report was for one system, but scheduling and payment calculations occur in two systems. DMF did not agree all should be done in one system.

Mr. Vihstadt: Asked if someone would like to read the original police overtime audit report and see associated updates, where would they look?. Is that something the County Auditor could work with staff to have reports in one place, so people don't have to go back in history to search for the reports.

Mr. Scott: Clarified all reports including the police overtime are available on the County Auditor website by audit title. There is a listing by audit report title, and under each title the original audit report and any follow up audits that have been released are listed.

Item 5. Miscellaneous agenda

Co-chair Takis Karantonis: Provided an update on the preliminary findings of the AIM audit, which were part of an external audit. These findings were communicated to AIM approximately 30 days ago and a response is due back.

Adjournment

Without objection, at 5:42pm, Co-Chair Takis Karantonis adjourned the December 12, 2024, Audit Committee Meeting.

Minutes submitted by: Marjorie Sandoval

~END~