



## Audit Committee

### Meeting Minutes

Thursday, March 6, 2025

10:30 – 12:00 pm

City Hall, Room 103

#### A. Call to Order

The meeting was called to order at 10:33 AM by the Internal Auditor after establishing a quorum present. Committee Chair Fisher was not initially present, but anticipated to arrive later. Mr. Blount made a motion to elect Commissioner Myers temporary chair, seconded by Ms. Higgins, and unanimously approved.

#### B. Attendance Roll

Member(s) present: Commissioner Fisher (arrived approximately 10:45), Commissioner Myers, Ms. Higgins and Mr. Blount. Member(s) absent: Dr. Thomas

Staff present: Internal Auditor Hassemer, Management Analysts Johnston and Roth, Acting Manager Brad Griffin.

#### C. Review and Approval of Meeting Minutes—February 6, 2025

Motion to approve minutes from the February 6 meeting by Ms. Higgins, Seconded by Mr. Blount, and unanimously approved, with a scrivener's noted by Ms. Higgins error ("personal" should be changed to "personnel") to be corrected.

#### D. FY25 Audit Workplan Status and Activity

Upon the arrival of Commissioner Fisher, he resumed duties as committee chair.

The Internal Auditor introduced and welcomed Acting Manager Griffin.

Internal Auditor Hassemer reported that the preceding Tuesday the Commission unanimously approved the Periodic Audit of the Housing and Community Development department, and it will be posted on the website and HCD will be notified regarding audit follow-up. He also notified the Audit Committee that the Periodic Audit of the Transit Department now in the phase of almost completing fieldwork so that the reporting phase will begin. He also added that staff is expecting to complete the audit within the established timeline.

The follow-up process with the Tax Assessor's Office is complete, and a memo has been presented to the M&C reporting on the actions taken by that office, who took the audit process quite seriously. The follow-up information from this audit will also be posted on the website for transparency. The process of a follow-up to the Economic Development Periodic audit will begin in the next couple of weeks.

Internal Auditor Hassemer noted that the bylaws had been discussed at the past several meetings, and could be adopted today if the committee felt comfortable doing so. He emphasized that the bylaws are a “living, breathing document” that could be revisited at any time. Ms. Higgins pointed out that the timing of the election of the committee chair was not addressed in the bylaws. After discussion of when the current chair had been elected, as well as general timing of such elections within committees, Chair Fisher recommended elections taking place in January, with the Internal Auditor noting that oftentimes committees don’t meet in January, so he suggested to hold elections during the first meeting of the calendar year. Commissioner Myers moved that the bylaws be adopted with the condition of that additional wording. Mr. Blount seconded, and motion was unanimously approved.

The Internal Auditor noted that now that the bylaws had been officially adopted it would also be a good time to note that the Committee is to review the Audit Committee Charter, which is an internal document that could be amended by the group. However, anything that affects the actual ACCGov’s ordinance or charter would have to move to the M&C level. Commissioner Myers asked for clarification regarding the Audit Committee charter, and the Internal Auditor explained that it had been something which was adopted by a previous Audit Committee, and dictates what this committee should do since there is no formal ordinance, and the committee functions at the charge of the Mayor. Commissioner Fisher said that the Mayor has expressed an interest in looking at the overall Charter for the Unified Government, and perhaps the Audit Committee Charter could be examined in that process. The Internal Auditor said he would bring the Mayor up-to-date on the actions of the Audit Committee, and that any changes to ordinance would likely wait until the County Charter as a whole is revisited, and that changes to the County Charter would require legislative approval.

Commissioner Myers noted the Audit Committee charter had been updated since its initial adoption, since it reflected updates to the membership structure. Ms. Higgins commented on the levels of governance, and stated that the current functioning of the committee and concept of what it does was well represented in the document. She observed that the change required for an audit committee to function on a different level—to focus not just on the internal audits but also on overall audits (external, financial, whistle-blower and such)—would require the change in ACCGov charter and ordinance. She stated it would be quite a bit of work, and to make such a change and that Athens has been historically reluctant to engage such oversight. Commissioner Fisher compared the situation to what goes on in Atlanta, and until actions regarding study of the original charter begin, things would likely not change. The Internal Auditor concurred, noting that there are a lot of moving parts behind attaining greater independence for the committee, for example independence from the Manager’s Office. Mr. Blount expressed that he would feel better with an independent auditor, and in the community-at-large it would be a better appearance. The Internal Auditor then noted that in the structure of the City of Atlanta, there is an auditor’s office that is separate from the inspector general’s office, which is independent and specifically investigates fraud and related issues.

## **E. FY26 Audit Workplan Preparation**

The Internal Auditor introduced a draft of the Operational Analysis Office's FY26 workplan, the process for which was started earlier this year, in the hope of having the final workplan adopted by June by both the Audit Committee and M&C, so as to be able to start assignments before the M&C traditionally takes its recess in July. He turned attention to the packets each of the committee members had been distributed. Materials included a "top ten" list of suggestions vetted and scored which were either submitted to the office or suggested by OA staff, and included suggestions from the Manager's Office and Commissioners. Also included were a list of audits undertaken in the past by the office, as well as a list of external audits. He pointed out a new format for the workplan presentation to be more aesthetically pleasing, as well as add context to the workplan process, and this is the format that would be presented to the M&C, with the audits listed in the draft workplan for example only.

The Internal Auditor walked the group through the format of the document. He pointed out the inclusion of the workplan creation, which was a separate project in and of itself, and had so far been underway for approximately two months. He also noted that there were special projects as well as audits included. He noted there was one proposed special project this year of creating a repository of external audits. The list has already been initiated, and the future project would include attaining actual copies of the audits, so that anyone looking for an audit would be able to find it in a central location. He also pointed out the portion of the plan which included follow-ups from prior audits, including the HR and HCD audits. The commission has expressed an interest in a follow-up to the 2020 Water Business Office, which could help shed some light on items such as billing procedures and software.

Commissioner Myers commenting on the format of the report, in that the descriptions within the report made the comprehensive audits appear less comprehensive than the periodic audits. The Internal Auditor explained that because periodic audits have an agreed-upon, defined scope, that scope was listed in the document, while the comprehensive audits would be unique depending on the nature of the audit. Upon Commissioner Myers inquiry regarding investigative audits, the Internal Auditor mentioned the cyber security audit, noting that it did not include recommendations, it was narrower in scope, and more of a fact-finding project lasting 1-2 months. Upon suggestion of Commissioner Myers, the Internal Auditor agreed to add that timeframe into the document.

Mr. Blount suggested that either departmental budgets or financial impact be added to the workplan document. The Internal Auditor said yes, that is a possibility, but it would be along industry standards to use categories of budget within the scoring matrix rather than exact budget figures. Commissioner Myers asked that the total budget of the department be added to the summary document. Ms. Higgins noted the interesting point of differentiation between departments that use general fund only, versus departments which take in funds, such as the Water Business Office, and expend those funds.

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The Internal Auditor suggested that the departments that made the top ten list in the scoring matrix could have this information added in the scope statement. Commissioner Fisher noted that the entire county budget, which is currently being finalized for next year, is out in the public record, and that it therefore may not be necessary to be included in these documents. Commissioner Myers observed it would be easier for some in the group to have such information included for those who don't have a business background and/or are still learning the process. The Internal Auditor said he did not see a problem having the information Mr. Blount originally requested for budget to be added to the scoring matrix for the ten listed on the current workplan proposal, and for next year's workplan the budgets for all departments could be included. He also noted that, while budgets are an important consideration, they are not the only one. For example, some of the suggestions don't have a budget assigned to them, for example the engineering regulations or the land inventory project. Mr. Blount emphasized he was not asking to "reinvent the wheel," but having the budget ranges added to the current document would be very helpful.

After further discussion regarding how budget could impact the decisions regarding audit workplan, the Internal Auditor expressed his interest in getting a sense of which items in the workplan were of most interest to the group. He stated that budget information for the ten items under consideration could be sent out by email.

There was significant discussion of the projects on the list, and the Internal Auditor said he was hearing that there was interest in the BACs project and the departmental structure projects, both being an investigative audit and that those would last roughly two months each. He then suggested two alternatives, one to include a comprehensive audit of the Emergency Management Program, and then he asked if the Land Inventory project would be of value. Commissioner Myers asked why such an inventory would not come from the Manager's Office. The Internal Auditor replied that the Operational Analysis Office could perform not only an inventory of properties, but also further descriptions of such properties.

After further elaboration of the county-owned land information, Ms. Higgins inquired about the possibility of auditing one of the larger departments such as Central Services or Transportation & Public Works, due to the size of their budgets and lack of recent audits. The Internal Auditor stated that, due to his prior, recent employment with the Central Services Department, it should not be included at this point. Ms. Higgins asked about hiring an outside consultant to audit Central Services, to which the Internal Auditor replied that the budget process was already underway, and there was a directive not to add any additional operating funds, which would be necessary to hire an outside consultant. He told the group that when he left the Central Services Department, he felt it was in good standing, and would have reported if he knew otherwise. He also noted that the current Central Services Director is serving as interim Assistant Manager for the county, so the department is not functioning in its normal structure. After input from Acting Manager Griffin regarding the interim role of the current Central Services director, and further discussion of the Land Inventory project, the Internal Auditor suggested that he would come back to the group with potential recommendations for



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the BACs, Government Structure, Land Inventory, Emergency Management Program, and that those four could fill up the calendar year when including PSCOB and the external audit projects, but if there was a suggestion for a fourth audit that could be considered.

After discussion around the various periodic and comprehensive audit options, particularly the Capital Projects Department and a desire to keep periodic audits happening regularly, Ms. Higgins recommended that, if a periodic audit is included, of one of the larger departments such as Transportation & Public Works and the Internal Auditor reiterated that the reason for creating the scoring matrix for audits and special projects was to take into account items which might take priority rather than simply going through the list of departments each year to complete periodic audits.

The Internal Auditor stated he would come to the next meeting with two options to include the five topics/departments of interest, as well as the previously discussed budget figures. To Ms. Higgins' point, he noted, one of the larger periodic audits could be included in the next years' audit.

Ms. Higgins suggested that the word "audit" be removed from the title of the document, as if reflected in other projects besides audits, to which the Internal Audit agreed.

**F. Internal Auditor's Update**

Internal Auditor Hassemer (to be included in next meeting agenda)

**G. Next Meeting Date** – April 3, 2025 @ 10:30-12:00 pm.

Action Taken: Adjourn

Motion by: Blount

Second by: Myers

Unanimous Approval

Unanimously Approved; meeting adjourned at 12:01 PM.

**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.**