



Larry Hogan GOVERNOR

Boyd K. Rutherford LT. GOVERNOR

Charles Glass, Ph.D., P.E. EXECUTIVE DIRECTOR

**BOARD OF DIRECTORS
AUDIT COMMITTEE
MEETING MINUTES**

February 14, 2022

LOCATION: Video Call

TIME: 3:15 p.m.

Committee Members PRESENT: Shelley Heller, Chair
Robert Neall, Treasurer
Charles Glass, Ph.D., P.E., Executive Director

Committee Members ABSENT: Dereck Davis

OTHERS PRESENT:

Sean Coleman, Esq.
Ellen Frketic
Pamela Fuller
Hament Patel
Winsome Condra

Melissa Slatnick
Casey Powers
Jana Leech
Valerie Colimon, RSM

CALL TO ORDER

Ms. Heller called the meeting to order at 3:15 p.m. Board members and staff participated via Zoom videocall. The meeting was streamed live to the public on YouTube.

MINUTES

Ms. Heller requested discussion or a motion for the approval of the minutes of the Audit Committee meeting of October 27, 2021. Mr. Neall made a motion to approve the minutes; Ms. Heller seconded. No corrections or objections were noted. The minutes were unanimously approved.

INTERNAL AUDIT REPORT

Ms. Condra presented her Internal Audit Report of the FY21 Service Centers. Service Centers were account/cost centers set up several years ago to manage unbillable projects in the TES Group. The Technical and Environmental Services (TES) group handles stormwater projects, BWI Deicing, and GIS/GES work, among other things. Dr. Glass explained that a loss traced to this Service Centers was observed when preparing budgets, leading him to ask Ms. Condra to audit the Service Centers. Ms. Condra reviewed the Project Set Up, Project Management, and Projected Billing service centers and identified eleven areas of concern (see attached Internal Audit Report Summary).

The practice of using service centers has now been eliminated. A management plan has been implemented and is scheduled to be completely enacted by July 1, 2022. Under this plan, TES management will: (1) implement procedures to manage unbillable accounts including the necessary criteria, guideline, and approvals; (2) document and implement monthly invoice review and approval processes; and (3) eliminate the labor rate billing structure and Piper system from the unbillable account process.

Several questions were addressed. Judge Smalkin asked if these new procedures would require more employees. It will not; the new process will be managed by the current TES Administrators, who will merely be changing procedures. The updated management plan should simplify the administrators' work, and not require additional manpower. Secretary Neall inquired about the policies currently in place. Dr. Glass explained that moving forward, the new procedures under this management plan will be more consistent with other Agency billing practices. The previous practice (using Service Centers) began approximately 15 years ago and had since become inefficient and unwieldy. The updated management plan replaces those practices with a cleaner process; all future financial processes will be managed in Workday.

Ms. Heller asked how the management and procedure changes have been received by staff. Dr. Glass replied that the revenue loss was initially discovered last year, at which point he asked the Internal Auditor to investigate. In the meantime, there has been considerable change in the management chain of the TES group. They have been moving in this direction for about a year.

CLOSED SESSION

At 3:45 p.m., in accordance with MD. Code Ann., Gen. Prov. §3-305(b)(1), Ms. Heller stated that the Committee intended to enter closed session to approve the

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minutes of a prior closed session and discuss compliance with Agency procedures by specific employees. Ms. Heller asked if anyone objected to the Committee entering closed session; no objections were heard. She also stated that any member of the viewing public who objected could submit their objection to the Agency via email.

Secretary Neall made a motion that the Committee enter closed session for the reasons stated above. Ms. Heller seconded the motion; all members voted in favor of closing the meeting.

Ms. Heller announced that the meeting of the Audit Committee would immediately adjourn following the closed session. The public meeting ended at 3:45 p.m., and online Board members were transferred to a secure conference video line. Staff members who were not required for the closed session left the meeting.

Ms. Heller called the meeting of the closed session of the Committee to order at 3:46 p.m. Present during the closed session of the Committee were Committee members Heller, Neall, Smalkin, and Glass. They were joined by Mr. Coleman, Ms. Frketic, Mr. Patel, Ms. Colimon and Ms. Fuller.

Ms. Heller requested approval of the minutes of the closed session from the meeting of October 22, 2020. Secretary Neall made a motion to approve the minutes; Ms. Heller seconded. The minutes were unanimously approved.

Valerie Colimon (RSM) summarized the agency FY22 Executive Expense Audit. Ms. Colimon and Mr. Patel answered several questions.

ADJOURNMENT

Upon motion by Mr. Neall, seconded by Mr. Ms. Heller, the meeting adjourned at 4:05 p.m.



**SHELLEY HELLER
CHAIR, AUDIT COMMITTEE**