



ARLINGTON VIRGINIA

Arlington will be a diverse and inclusive world-class urban community with secure, attractive residential and commercial neighborhoods where people unite to form a caring, learning, participating, sustainable community in which each person is important.

Meeting Minutes for 27th June 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)
Luanne Lohr, Community Member (Present via Video Conference)
John Vihstadt, Community Member (Present)
William (Bill) Wiggins, Community Member (Absent)

Administrative Attendees:

Mason Kushnir, Acting County Board Clerk (Present)

At 4:33 PM, Co-Chair Coffey called to order the June 27th Audit Committee Meeting

Approval of Minutes from Prior Meeting:

March 28th, 2024 – Amended to correct punctuation, the spelling of Chief Povlitz’s name, to correct the attribution of a statement by Ms. Sundberg, to remove “AIM” to accurately reflect the agenda, to insert “by sending it back to the fire department to process through its billing provider” after “that avenue is pursued,” to insert “ACFD” to accurately reflect the relationship between DigiTech and the treasurer, to replace “engaged with a variety of professional audit leads” with “engaged with a variety of professional audit organizations,” to insert a period at the end of the on the second page, second line, first paragraph.

Moved by Mr. Schwartz, approved unanimously, as amended, by voice vote with Ms. Askey abstaining.

Summary:

The Audit Committee met to discuss the hiring process for the new County Auditor, to share updates on the PRISM+ Upgrade project, to discuss the County’s Whistleblower Protection policy, and to hear any reports from members of the committee.

Co-Chair Report:

Audit Committee Co-Chair Karantonis and Co-Chair Coffey discussed the status of recruitment and hiring of the new County Auditor and their reasoning behind their preferred candidate. Audit Committee Co-Chair Karantonis provided specific credentials and experience held by the candidate that made them qualified for this job. He noted that they stood out because of the quality of their application. Audit Committee Co-Chair

Coffey added that while both candidates were well qualified, the selected candidate demonstrated qualities that the group was looking for.

Question & Answer Session:

Audit Committee Member Vihstadt - To clarify, will the new candidate be onboarded well in advance of the next Audit committee meeting? **Ms. Coffey** - Yes

Discussion Item:

Audit Committee Co-Chair Karantonis discussed the status of the financial Audit of Arlington Independent Media.

Discussion Item:

Audit Committee Member Meredith shared an overview of the PRISM+ Upgrade and its importance to the County's essential functions. Ms. Meredith shared the extent to which the existing system is used throughout the County, and the importance of the coming upgrade in unifying or expanding upon a number of financial and human resources functions. She shared an overview of the deployment and training timelines, and gave context with respect to similar projects undertaken by other localities in the region.

Question & Answer Session:

Audit Committee Member Vihstadt - How pervasive will the re-training need to be with staff, and will the extent vary across different departments? **Ms. Meredith** - The need for retraining will be extensive and will vary by department and function -the HR side will be broader while the finance side will be more narrow.

Audit Committee Co-Chair Coffey shared her experience with retraining for a recent project in the County Board Office and offered optimism for a successful deployment.

Audit Committee Co-Chair Karantonis - Regarding the public facing side of the system - given we opted to re-register vendors, what work is required? **Ms. Meredith** - There has been extensive communication with vendors, and while they will need to re-register, it should be a straightforward process and the County is available to assist. Navigational tools will be available directing vendors to the new system.

Audit Committee Co-Chair Karantonis - Regarding the new ArlingtonWallet – confirming this is an entirely new system that will launch with PRISM+? **Ms. Meredith** – ArlingtonWallet has already launched, as it was not dependent on PRISM+.

Audit Committee Co-Chair Karantonis - On timelines for deployment of PRISM+ - confirming this will this be done by October? **Ms. Meredith** - The County will be closing its books in the old PRISM system, and will reopen in PRISM+ at go-live on August 1st.

Audit Committee Co-Chair Karantonis – Given the new system, reasonable to infer a higher degree of audit scrutiny for the first year of PRISM+ deployment? **Ms. Meredith** – correct.

Audit Committee Member Lohr- Given the migration to a cloud-based service – has thought been given to ransomware protection and data recovery? **Ms. Meredith** – The County has invested a lot in cybersecurity, and through Oracle is connected to data centers with regular backups and disaster recovery plans, although will follow up on the point of zero-loss protection.

Audit Committee Co-Chair Karantonis noted that County leadership regularly conducts tabletop exercises to ensure a state of readiness for a range of scenarios. **Co-Chair Coffey** expands on this by noting regular trainings across the enterprise intended to prevent data security emergencies, beyond disaster recovery planning, and referred to related work underway by the Information Technology Advisory Commission. **Mr. Schwartz** further expanded on internal tests conducted on County employees in areas of

cybersecurity. Further discussion followed among members of the Audit Committee concerning cybersecurity risks and mitigation strategies.

Audit Committee Member Vihstadt - What is the relevance of PRISM+ updates to the County's Constitutional offices? **Ms. Meredith** – The same as other County departments – they are full users and utilize the platform in the same way as other departments. **Mr. Vihstadt** – Clarifying, this applies to all Constitutionals? **Ms. Meredith** - To varying degrees, but as an example, any employee paid by the County is paid through PRISM – beyond monitoring budget, etc.

Audit Committee Co-Chair Karantonis- Referring to prior mention that Arlington Public Schools uses Oracle where are they with respect to implementation? **Mr. Schwartz**- Approximately 4 - 5 months behind the County.

Discussion Item:

Audit Committee Member Meredith discussed updates to the County's Whistleblower policy, which was recently updated. She highlighted changes to align with Virginia Code, and adjustments to the policy to expand protections. She discussed statistics regarding reports made under the Whistleblower Policy. She further discussed updates to marketing and educational materials used to inform employees and members of the public.

Question & Answer Session:

Audit Committee Member Askey – What protections exist for self-reporters? Is the information public, or considered need-to-know? **Ms. Meredith** - The Review Committee shares information on a need-to-know basis.

Audit Committee Member Vihstadt - Can you elaborate on modifications to the need-to-know policy sections? **Ms. Meredith** - Specifically – to allow for the safety of the discloser, or if compelled according to legal requirements.

Audit Committee Member Vihstadt - Is a redline copy of the updated policy available? **Ms. Meredith** - Not at hand, but it will be shared.

Audit Committee Co-Chair Karantonis - Noting, under the section concerning Abuse – the policy seems to focus on financial fraud, waste, and abuse - are there other forms of abuse covered elsewhere? **Mr. Schwartz** - That would be handled through the Office of Human Rights and through other federal protections. **Mr. Karantonis** - To follow up, do we check regularly to determine whether our contractors have whistleblower protections comparable to ours? **Ms. Meredith** – Will verify, but unlikely that similar protections are routinely offered. **Ms. Coffey** - If there is a whistleblower from a group with which the County has financial relationship, is there any protection we can offer? **Ms. Meredith** – Different remedies from those held by an employees - they can file civil action with the Circuit Court. There is also a Virginia Fraud and Abuse whistleblower reward fund. Noting that anyone in the community can file a report, and that there are remedies available to them for retaliation. **Ms. Askey** – asked whether Arlington should internally review Vendor policies during the procurement process? **Ms. Meredith** and **Ms. Coffey** note a series of rules within the Virginia Public Procurement Act that Arlington must adhere to. Further discussion among members of the Committee followed.

Committee Members Reports:

No reports were submitted for consideration by members of the Audit Committee. Co-Chairs Coffey and Karantonis noted proposed future dates in the Audit Committee agenda for planning and consideration, and outlined the topics of these meetings.

Audit Committee Member Vihstadt noted that when the new Auditor is hired, he is interested in the potential for prior audits to be revisited, such as the Community Benefits audit.

Next Audit Committee Meeting:

*The next meeting of the Audit Committee was scheduled for **September 26th, 2024***

Adjournment

Without objection, at 5:47 PM, Co-Chair Coffey adjourned the June 27th, 2024 Audit Committee Meeting.

Minutes submitted by: Mason Kushnir, Deputy County Clerk

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