



OFFICE OF THE COUNTY MANAGER
Fulton County Government Center
Dick Anderson
County Manager

Anna Roach
Chief Operating Officer
Sharon Whitmore
Chief Financial Officer

MEMORANDUM

TO: Anthony Nicks – Internal Auditor, Fulton County Government

THRU: Dick Anderson – County Manager *[Signature]*
Anna Roach – Chief Operating Officer *[Signature]*

FROM: Ellis G. Kirby – Deputy Chief Operating Officer, Infrastructure Services *[Signature]*

DATE: November 6, 2018

SUBJECT: Information Technology Department’s Management Response – Draft Audit
Covendis Technologies

Thank you for the opportunity to provide this management response to the draft “Audit of Covendis Technologies” issued November 2nd, 2018. Prior to providing detailed responses to specific findings, please allow us to inform your office of key steps taken that directly impact a number of the concerns outlined within the draft audit.

- **Leadership Changes**

Since the initiation of the audit, the Chief Information Officer (CIO) who was principally responsible for management of the department has resigned. In addition, with the appointment of a new Chief Operating Officer, the County Manager restructured the organization to align the Information Technology department with the “Infrastructure Services” operational stack. Each of the departments within that stack share a focus on and sensitivity to precisely planned execution of operational as well as capital plans funded by the Board of Commissioners, and that realignment under the leadership of a Deputy Chief Operating Officer with the experience and unique skill set to handle those challenges is certainly noteworthy.

- **Cancellation of Covendis Technologies Contract**

The Information Technology Department’s use of the Covendis statewide contract ended on September 15, 2018. The department has transitioned functions associated with that contract to internal operations with a blend of full time staff and some fee-based employees to bridge the gap until all of the Department’s permanent positions can be filled. In addition, the



department does not maintain any additional, similarly-situated contracts designed to provide staff augmentation.

The following provides a more detailed management response and corresponding action plan for each finding:

Finding 1 – Improper Payments

The department agrees with the findings. Our action plan to address includes:

1. Immediately work with the County Attorney's office to request a refund of the overpaid amount from Covendis Technologies. **Estimated 1-3 months.**
2. Conduct an inquiry to determine why the vendor's Accounts Receivable division or system did not flag or catch the duplicate payments. **Estimated 1-4 months.**
3. On all future contracts and renewals within Information Technology Department, clearly outline the billing and accounts payable process each vendor is required to follow consistent with Board policy. **Ongoing.**
4. Finalize the Information Technology Department's policies and procedures to include appropriate levels of approvals for contract payments to include the CIO. **Estimated 3 to 6 months.**

Finding 2 – Lack of Contract Management

The department agrees in part with the findings.

The department agrees that "three Project Directors were approved; however four Project Directors were identified and compensated." Our Action plan to address includes:

1. Requiring that each Deputy Director within the Information Technology Department receives contract administration and contract compliance training offered by the Purchasing and Contract Compliance Department. **Estimated 1 to 3 months.**

The department disagrees that an overpayment in the amount of \$9,660 was made to Covendis. The individual working on the Criminal Justice Information Systems (CJIS) project did perform "Project Director" duties and was entitled to be compensated as a Project Director. The finding references specific skill-sets allowable under the Covendis agreement – Scope of Services, Exhibit A. While Project Director skills are allowable under the agreement, these skills are not specifically identified as available for the CJIS suite of applications – giving way to the finding. The department should have requested an adjustment to the Scope of Services to reflect the work the CJIS resource was actually performing while working at the County, so that the work would be consistent with the description within the Scope of Services.



In addition, it is important to note that the agreement does have a provision that explicitly states that the Contractor (i.e., Covendis) shall provide the positions listed in Exhibit A, “*but not limited to these positions or requests*”. The exhibit also states that “Application Project Managers” may be used on “*other projects*” not explicitly outlined in the agreement.

Ultimately, this Project Director resource was utilized for a short duration, approximately seven (7) weeks, to move several critical CJIS projects forward during the IT re-organization, thereby advancing the County’s strategic plan. While this finding is not clearly prohibited by the agreement, management heeds the advice of Internal Audit.

Finding 3 – Lack of Adequate Verification of Time and Attendance Records

The department generally agrees with the findings. Below are clarifications to insure clear understanding of the finding and corresponding details from the IT department in response.

The department agrees to previously committing to require contractors utilize the Kronos timekeeping system, but not fully implemented the use of that system. In hindsight, it proved impractical to ask contractors, some of whom were required to work overnight and remotely, to come to the county to log into Kronos.

On the other hand, the Contractor did have a generally acceptable electronic timekeeping system that required approval of County employees managing the contract prior to payments. In response to the audit, the department staff provided approval logs and details from the online Covendis system which included a legitimate approval process from the direct managers for time reporting and per the contractual agreement from Covendis.

The department could have taken more explicit steps to leverage the system to support requests for payments. And, admittedly, that may have results in more accurate reconciliation and less or no errors in overpayment. Our action plan to address for future IT contracts include:

1. For future payments and contracts within the Information Technology department, require the vendor provide an additional printout of detailed timekeeping approvals. **Ongoing.**
2. Within the finalized department Policies and Procedures, require department staff to match up online approvals with billing before submittal for payment. **Estimated 3 to 6 months.**
3. On future contracts, provide a clear billing process from the vendor as required in the ITB/RFP in writing that includes how the vendor will insure appropriate supporting documentation before submitting a bill for approval. **Ongoing.**
4. Insure a multi-layer review and approval for contracts that include the responsible project manager, Deputy Director and CIO. **Ongoing.**



Finding 4 – Lack of Deliverables for Critical Projects

The department generally agrees with the findings. There has been no clear written mechanism in project reporting, either within the department or to leadership. The action plan is:

1. Implementation of the department's approved project management software that will provide for global departmental and leadership reporting. **Estimated 1st Q 2019.**

Audit Summary/Additional Action Steps

In addition to the detailed remediation steps outlined above, the following additional steps will be taken in response to the findings within this audit:

1. A comprehensive review of all major contracts to verify proper billing and time documentation before submittal for payment. **Estimated 3 to 6 months.**
2. Explore the option of removing the contract administration function, including bill processing, from the IT department and transferring to the Purchasing and Contract Compliance Department. **Estimated 6 months.**
3. Review and execute possible disciplinary actions based on the findings as appropriate. **Estimated 1 to 3 months.**
4. With the hiring of the new CIO, realign departmental functional areas of operations for proper vertical accountability in the organization. **Estimated 1 to 2 months.**

Please let us know if there are any questions.

Cc: Sharon Whitmore, Chief Financial Officer
Felicia Strong-Whitaker, Director of Purchasing & Contract Compliance
IT Deputy Directors