

Minutes of Buncombe County Audit Committee
May 17, 2017
9:00 AM

Members Present: Kendra Ferguson, Larry Harris, Andrew Hoffman, Diane Price, Danny Yelton, and Mike Knepshield

Also Present:

Gould Killian: Dan Mullinix

County Staff: Tim Flora, Wanda Greene, Jennifer Durrett, Tim Love, Terri Orange, Eric Hardy, Irene Wolfe, and Blair Chamberlain

The Audit Committee Chairman, Larry Harris, called the meeting to order at 9:04 AM. Introductions were made to introduce committee members to the new member and meeting attendees.

Meeting Minutes

The minutes from the February 16, 2017 meeting were presented. There was no discussion. Danny Yelton moved to accept the minutes. Kendra Ferguson seconded the motion. All present Committee members voted in favor of the motion.

FY2017 Financial Audit

Dan Mullinix, of Gould Killian CPA Group, gave an overview of the FY2017 external audit and discussed strategy and timeline. The auditors will be onsite starting in September and finalizing in October.

He discussed changes for the upcoming year and new GASB pronouncements. GASB Statement No. 80 is applicable to the County in FY17 requiring the Buncombe County Service Foundation (BCSF) to be blended with the County's financial statements. BCSF will no longer be required to have separate audited financial statements.

He asked the committee and staff if there were any new concerns of risk or fraud and confirmed there is nothing new to be concerned with in FY17, but in FY18 they will focus on the implementation of the new ERP system and key employee changes due to department directors retiring.

Dan gave an overview of the single audit process for FY17 and emphasized the State Auditor's concern with the Medicaid Program. Because of the State's level of concern, Gould Killian will double its testing on Medicaid. The other programs that will be tested are:

- Childcare Cluster
- Crisis/Energy/LIEAP (Low Income Energy Assistance Program)
- Aging Cluster (State program)
- State and County Special Assistance to Adults (State program)

He also reviewed GASB No. 74 & 75 which will require the County to record their OPEB liability on the Government-wide statements. The liability will not be included until FY2018.

Budget Update

County Manager Dr. Wanda Greene gave an update on the budget for FY18 and the most recent revaluation. She commented on the education needs and the large onetime land purchase as reasons she was not able to recommend a revenue neutral tax rate for FY18. She informed the committee that a balanced budget will be approved on June 13.

Workday Update

Tim Love provided an update to the Committee on where the County stands on the replacement of the ERP System with Workday. He gave a project overview and schedule for implementing Workday.

Terri Orange, Internal Auditor, went over the risks associated with implementing a new ERP system. Risks she will monitor during the implementation phase as well as post go-live are:

- Poor planning/control
 - Controls in place: Implementation and project management teams
- Inadequate skills to configure
 - Controls in place: Experienced configuration partner, engagement from all departments, knowledgeable participants, etc.
- Dependence on external consultants
 - Controls in place: Internal support team, training core user
- Resistance to change
 - Controls in place: User acceptance testing, Comprehensive pre and post deployment communication and training programs, Assessment of system use post go-live and evaluation of workarounds
- Inadequate assessment/management post deployment
 - Controls in place: On-going business process/internal control/security testing plan will be developed and implemented

Conclusion of Meeting

Larry Harris adjourned the meeting at 10:29 AM.