

Minutes of Buncombe County Audit Committee
September 05, 2023
9:00 AM
200 College Street, Room 310, Asheville, NC 28801

Members Present: Chairperson Kendra Ferguson, Commissioner Al Whitesides, Commissioner Terri Wells, Dr. Glenda Weinert, Martha Zeigler

Members Absent: Patrick Fitzsimmons, and Bill Christy

County Staff Present: Candace Searcy (Internal Auditor), Kelly Houston (Risk Manager), Amy Broughton (Senior Attorney) Glenn Murray (Accounting and Reporting Manager), and Mason Scott (Interim Finance Director), Avril Pinder (County Manager)

Others Present:

The Audit Committee Chairperson, Kendra Ferguson, called the meeting to order at 9:04 AM.

Welcome New Member – Chairperson Kendra Ferguson

Chairperson Kendra Ferguson welcomed our new member to the committee, Martha Zeigler. Martha joins the Audit Committee with great experience in her career: Duke grad, CPA firm experience, assistant finance director under Nancy Brooks at Buncombe County, worked at MSD, water and sewer in New Hanover and Wilmington merged and worked as customer service director for Water and sewer in Durham. She has since retired and is excited to join the committee.

Review and Approval of Meeting Minutes – Chairperson Kendra Ferguson

June 06th, 2023, meeting minutes were presented and reviewed. Commissioner Wells brought up discussion of needing to list the names of who made the motions. Amy Broughton, senior attorney reached out to Michael Frue, senior attorney for clarification if the names of the persons making and seconding motions should be included, he confirmed they should.

Commissioner Wells made a motion to approve the June 6th meeting minutes with clarification of names of persons making and seconding motions. Commissioner Whitesides seconded the motion. The motion passed unanimously.

External Audit Update–Mr. Mason Scott and Glenn Murray

Glenn Murray provided an update on the current financial audit. Glenn stated that ninety percent of the single audit is complete and does not expect findings or comments. The first deadline for work papers for the regular audit was last Monday. Finance expects samples to pick up over the next few weeks and any pending items are either waiting for more information or just not possible to provide currently. Three things that are likely to come up as comments or past audit adjustments: compensated absences with LGERS calculation, GASB 96 software-based IT agreements and opioid settlement funds. Compensated absences were explained to audit committee members. Buncombe County overstated compensated absences as it was included in the calculation but when the GASB68 was made effective, that calculation now includes LGERS pension liability, however this adjustment would not be material. There will be change in accounting principle regarding the GASB 96 software-based IT agreements as we must include SPITA assets and liabilities which are now different type of asset. The state just recently changed how the opioid settlement funds should be accounted for. Originally the funds were budgeted with project ordinance and multi-year. The state clarified that it is not

a project or grant, and should not be reported as such, and should be a one-year accounting. Guidance from our current external auditors so far is to hold where we are, but if General Assembly makes a change, it may be a finding. Mason Scott stated communication is going well with the new auditors. Mason Scott asked the committee about preference of onsite work vs virtual. Chairperson Kendra Ferguson stated she does not have a strong preference. Commissioner Wells asked if the auditors are requesting to come on site. Mason Scott stated they do not have a preference of onsite vs virtual with the strong communication and availability of records they have had this far in the virtual process. Commissioner Whitesides and Commissioner Wells agreed with Mason's statement. Chairperson Kendra Ferguson would like for the audit presentation to be presented onsite.

Internal Audit Update – Internal Auditor Candace Searcy

Candace Searcy gave a brief update on Internal Audit activities, in addition to the Internal Audit Update Report, which is attached to the minutes.

Highlights of the Internal Audit Update include:

- Administration
 - Monitoring of the hotline and let's talk
 - Candace Searcy asked for clarification on the process of following up on Employee Relations cases, in years past there has not been clarification on this process. Chairperson Kendra Ferguson, Commissioner Wells and Commissioner Whitesides plan to meet with County Manager Avril Pinder to discuss this process.
- FY23 Audit Plan Review
 - ITGC
 - Project complete
 - Cash Management
 - Management responses were received September 5th, 2023. Candace Searcy will work on getting the responses and the remediation tracker started in the Diligent software for this project.
 - Grants Management
 - Prior work was not complete and documented. Candace Searcy has completed a new planning document and provided to Avril Pinder to review. Candace Searcy has met with Rachael Nygaard Strategic Partnerships Director to update on the project going forward.
- FY24 Audit Plan
 - Commissioner Wells questioned the status of the FY24 audit plan approval from Board of Commissioners. Chairperson Kendra Ferguson suggested the FY24 audit plan to be put on hold until the Internal Audit Director position is filled. Chairperson Kendra Ferguson, Commissioner Wells and Commissioner Whitesides plan to meet with County Manager Avril Pinder to discuss.

Additional Discussion Items

Chairperson Kendra Ferguson's term with the Audit Committee ends at the end of the 2023 calendar year. The position that will need to be filled is public accounting profession and the chair.

Public Comment

There were no members of the public who commented at the September 05, 2023, meeting.

Meeting Schedule Reminder for Calendar Year 2023

Tuesday, December 5, 2023, at 9:00 AM

Adjournment

Commissioner Whitesides moved to adjourn the meeting. Commissioner Wells seconded the motion. The motion passed unanimously. September 05, 2023, Audit Committee meeting was adjourned at 10:06 AM.