

Minutes of Buncombe County Audit Committee
September 18, 2018
9:00 AM

Members Present: Larry Harris, Commissioner Robert Pressley, Commissioner Al Whitesides, Kendra Ferguson, Mike Knepshield

Members Absent: Danny Yelton, Andrew Hoffman

County Staff Present: Terri Orange, Kelly Houston, Autumn Lyvers, Blair Chamberlain, Eric Hardy, Michael Frue

The Audit Committee Chairman, Larry Harris, called the meeting to order at 9:02 AM.

Review and Approval of Meeting Minutes

The minutes from the August 14, 2018 meeting were presented. There was no discussion. Commissioner Whitesides moved to approve the minutes. Commissioner Robert Pressley seconded the motion. The motion passed unanimously.

Financial Statement Audit – Contract Amendment with CliftonLarsonAllen (CLA)

Kendra Ferguson, chairperson of the External Audit Subcommittee gave an update on the contract amendment with CliftonLarsonAllen (CLA). The contract amendment increases the audit cost by \$56,715 (\$81,792.50 in additional services, less a discount of \$25,077.50). This increase brings the total audit cost to \$174,840. She communicated that the subcommittee has reviewed the proposed amendment and finds it reasonable due to the increased audit scope since additional indictments of former County staff were issued after execution of the original audit contract.

The second item for consideration is the anticipated audit completion date. Kendra reported that the normal deadline for audits to be reported to the Local Government Commission (LGC) is October 31, 2018. Due to the circumstances, the original amended due date was December 31, 2018. However, the subcommittee, as well as CLA, recommends the amended due date be January 31, 2019. CLA expects to start fieldwork no sooner than October 29, 2018.

The action items were summarized as follows:

- Approve the amendment of the CLA contract for an additional \$56,715.00
- Approve the amendment of the CLA contract for a revised due date of January 31, 2019

Kendra Ferguson moved to approve the contract amendment. Commissioner Al Whitesides seconded the motion. The motion passed unanimously.

Chairman Larry Harris also recommended that this explanation be communicated to the Buncombe County Board of Commissioners, emphasizing that the \$56,715.00 is in addition to the original contract amount, and that the additional services from CLA are based on sampling, not entire data population. Commissioners Al Whitesides and Robert Pressley agreed. County staff are going to see if the contract amendment can be added to the September 18, 2018 Board of Commissioners meeting agenda.

Staff Update

Interim Finance Director Eric Hardy updated the Audit Committee on staffing changes in the Finance Department. Controller Jennifer Durrett has resigned and Autumn Lyvers has been promoted to the position of Controller, effective September 17, 2018. The Audit Committee welcomed and congratulated Mrs. Lyvers to the position.

Internal Control Presentation-Update

Terri Orange and Eric Hardy updated the Audit Committee on the status of the Internal Control presentation that had been requested at the August 14, 2018 meeting. Eric and his staff have prepared a presentation and delivered it to the Senior Leadership Team who provided valuable input. In order to incorporate this input, Eric requests to postpone this presentation until next month's Audit Committee meeting.

Internal Audit Update

Terri Orange provided the Audit Committee with an update of Internal Audit activities. The Sheriff transition audit is going well. Internal Audit spends two full days with Evidence staff each week, as Evidence staff must be present during all testing activities. The Buncombe County Anti-Crime Task Force (BCAT) audit is also in progress.

Internal Audit staff also continues to spend a large amount of time with activities relating to the federal investigation including providing data to investigators, fulfilling public record requests relating to the investigation, and internal research and interviews. County legal staff also devotes significant time to compiling data for public record requests.

Internal Audit is also assisting the Finance Department with the external audit where requested and possible without compromising the independence of the Internal Audit Department.

Meeting Schedule

Terri Orange reminded the committee about the upcoming scheduled meetings.

- Tuesday, October 23, 2018 at 9:00 AM
- Tuesday, December 4, 2018 at 9:00 AM

Adjournment

Chairman Harris adjourned the meeting at 9:32 AM.