

Minutes of Buncombe County Audit Committee
December 4, 2018
9:00 AM

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

Members Absent: Andrew Hoffman

County Staff Present: Terri Orange, Kelly Houston, Michael Frue, Don Warn, Eric Hardy

The Audit Committee Chairman, Larry Harris, called the meeting to order at 9:00 AM.

Review and Approval of Meeting Minutes

The minutes from the October 23, 2018 meeting were presented. There was no discussion. Mike Knepshield moved to approve the minutes. Al Whitesides seconded the motion. The motion passed unanimously.

Introduction of the new Finance Director

Don Warn was introduced and provided an overview of his prior experience and expressed his appreciation for his new role in Buncombe County. The Audit Committee members introduced themselves and their respective roles on the Audit Committee as well.

Member Reappointments

Larry Harris, Mike Knepshield, and Danny Yelton have terms expiring 01/01/2019, but are eligible for renew for a second term. All three agreed to reappointment.

Al Whitesides moved to approve the reappointment of Larry Harris, Mike Knepshield, and Danny Yelton for their second terms. Robert Pressley seconded the motion. The motion passed unanimously.

Along with the reappointment of the three members, the Audit Committee reviewed the current rotation schedule. Robert Pressley moved to approve the rotation schedule. Al Whitesides seconded the motion. The motion passed unanimously.

Calendar Year 2019 Meeting Schedule

The Audit Committee Charter and Bylaws requires the Audit Committee meet at least two times per year, with authority to convene additional meetings as circumstances require. The following dates were proposed as the 2019 regularly scheduled meetings of the Audit Committee:

- February 19, 2019
- May 21, 2019
- October 15, 2019
- December 3, 2019

Danny Yelton moved to approve the 2019 meeting schedule as proposed. Al Whitesides seconded the motion. The motion passed unanimously.

External Audit Update

Kendra Ferguson provided an update from the External Audit Subcommittee. The subcommittee had a call with CLA on December 3, 2019. The auditors have completed some work onsite, but are offsite now as Buncombe County works on reports from the new ERP system, Workday. Once further work has been completed on Workday reports, CLA will return for more onsite work.

Don Warn explained various target dates that Buncombe County has to get various sections to CLA, starting with dates next week and continuing through mid-January.

Staff asked that the Audit Committee approve a recommendation to the Board of Commissioners that the audit contract be amended to revise the audit completion date to March 31, 2019. Al Whitesides made the motion and Danny Yelton seconded. The motion passed unanimously.

The question was raised on how potential contract amendments may affect the TDA annual audit. Don Warn expressed that he has been in communication with TDA on this.

Internal Audit Department Proposed Budget for Fiscal Year 2020

Terri Orange provided a summary of the proposed budget for the Internal Audit Department for FY 2020. Internal Audit will be requesting an additional internal auditor, due to the scope of Buncombe County's audit universe and the additional documentation and processes required to following IPPF standards. An additional internal auditor would bring the Internal Audit Department to three employees (the Internal Audit Director and two Internal Auditors).

The Audit Committee Charter also requires the Audit Committee review the compensation of the Chief Audit Executive. Terri Orange reported her salary is just over \$87,000 per year, plus benefits.

Danny Yelton moved to approve the proposed Internal Audit budget for FY 2020. Al Whitesides seconded the motion. The motion passed unanimously.

Annual Review of Audit Committee Charter and Bylaws

Terri Orange and Michael Frue discussed proposed changes to the Audit Committee Charter. Most of the changes are centered on language changes from "Internal Auditor" to "Chief Audit Executive," due to updates made to positions during the County's recent pay and classification study. Other changes proposed include clarifying language for the roles and responsibilities of the Audit Committee and the Buncombe County Board of Commissioners. No changes have been proposed for the Audit Committee Bylaws.

Al Whitesides moved to approve the updated Audit Committee Charter. Mike Knepshield seconded the motion. The motion passed unanimously.

Internal Audit Update

Terri Orange and Kelly Houston provided an update for the Sheriff's Office transition audit.

Adjournment

With no further business, Chairman Harris adjourned the meeting at 9:58 AM.