

**Minutes of Buncombe County Audit Committee**  
**December 5, 2022**  
**9:00 AM**  
**200 College Street, Room 310, Asheville, NC 28801**

**Members Present:** Chairperson Kendra Ferguson, Commissioner Al Whitesides, Danny Yelton, Dr. Glenda Weinert, Larry Harris, and Mike Knepshield (Remote)

**Members Absent:** N/A

**County Staff Present:** Dan Keister (Internal Audit Director), Candace Searcy (Internal Auditor), Paige Anderson (Internal Auditor/Audit Committee Secretary), Kelly Houston (Risk Manager), Michael Frue (Senior Attorney), Glenn Murray (Accounting and Reporting Manager), Don Warn (Finance Director), and Mark Goodwin (CISO)

**Others Present:** Chris Kessler, CLA

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The Audit Committee Chairperson, Kendra Ferguson, called the meeting to order at 9:05 AM.

**Review and Approval of Meeting Minutes – Chairperson Kendra Ferguson**

The August 16, 2022 meeting minutes were presented and reviewed. There were no revisions or discussion.

*Through a voice vote, the motion passed unanimously.*

**External Audit Presentation – Chris Kessler, CLA Principal**

Chris Kessler with the external financial audit firm CLA attended to present the Fiscal Year 2022 financial audit. The presentation has been attached to the minutes.

Below is a summary of key points made by Mr. Kessler:

- CLA issued an unmodified (clean) opinion on the financial statements and compliance, with no findings.
- The audit went well, was straightforward, and the Finance Department was responsive and helpful.
- Change in accounting policies: GASB 87 – Leases. This was large undertaking for the County.
  - [Mr. Harris] How many GASB 87 leases did you have to review?
    - [Mr. Kessler] Approximately 50.
    - [Mr. Warn] We have many more leases but there were only around 50 that we had to report.
    - [Mr. Harris] But you had to look at all of them?
    - [Mr. Warn] Every one of them.
    - [Mr. Kessler] Yes, that’s where it gets complicated. GASB 87 mainly affected physical assets, such as copiers or cars. A new standard is coming out next year, GASB 96, which will affect technology subscriptions.
  - [Chairperson Ferguson] Does this only affect government wide enterprise funds?
    - [Mr. Kessler] This affects all subscription liabilities.
  - [Mr. Harris] Will GASB 87 and 96 affect borrowing ability?
    - [Mr. Kessler] It really shouldn’t. We’ve had some clients with specific ratios built into their debt compliance and they had to go back to amend those. Rating agencies were aware of these contracts so typically not surprised by the changes resulting in the implementation of GASB 87 and 96.
    - [Mr. Warn] For our debt policies, we don’t look at liabilities. We look at government-wide expenditures, assessed values, and per capita ratios.
    - [Mr. Kessler] What GASB is trying to do with these new standards is provide transparency around the obligations that governments are entering into by requiring these to be presented on

the balance sheet. With the new lease standards, management is having to assess each new lease as it's entered into.

- [Chairperson Ferguson] Don, what is the process that you have implemented to assess leases on a regular basis?
  - [Mr. Warn] We have a contract management system, Cobblestone, whereby each lease is tagged. Finance reviews, evaluates, and assesses that they are being recorded accurately.
- New requirement that significant risks must be communicated to governance.
- Two uncorrected misstatements: Reconciling items in unearned revenue and reconciling items in landfill post-closure liability.
- Pandemic-related Federal Grant Programs will be high-risk every and are required to be tested annually.
- Increase in Fund Balance of \$7.7M.
  - [Mr. Harris] What is the County percentage policy for unassigned funds?
    - [Mr. Warn] Anything above 20% gets transferred to the capital projects fund.
  - [Mr. Harris] What percentage did we end on?
    - [Mr. Warn] About 24%.
- Single audits were performed over 6 programs: Coronavirus State and Local Fiscal Recovery Funds, Emergency Rental Assistance, Foster Care IV-E, Medicaid Cluster, Public School Building Programs, and Juvenile Crime Prevention Council Programs. All reports were issued with an unmodified opinion. There was one significant deficiency in internal control whereby verification of a vendor's suspension and debarment status was missing documentation. This did not affect the final opinion.
  - [Mr. Warn] Strategic Partnerships has already worked to ensure that all documentation is now being filed as required.
  - [Mr. Harris] Who is responsible for the compliance aspect?
  - [Mr. Warn] It is another department in the County who is responsible for taking care of this documentation and subrecipient monitoring. The initial process to set this up was complicated so I'm very satisfied with the results.
  - [Mr. Keesler] I agree. We are wrapping up audits for other clients and we are seeing larger quantity of issues and given the push when these grants were awarded not a lot of time was available to set processes up.
- GASB 96 will be a significant undertaking for FY23 as the County will need to review all subscription-based technology arrangements to comply. It's extremely important that IT has a role in the implementation of this new standard.
  - [Mr. Warn] We've begun our conversations [Mr. Warn] with Eric Grau, the IT Director, and Mark Goodwin, CISO, will be instrumental, as well.
  - [Mr. Goodwin] We have a third party program where we flag contracts that are subscription-based.
  - [Mr. Kessler] We're finding clients going into this not knowing what their contracts are, so you all are in a good position.
  - [Mr. Warn] Yes, it took some time to identify and log all of our contracts, working across departments and with various contacts. Luckily, we obtained Cobblestone when we did as it will be helpful in implementing this new standard.
  - [Mr. Harris] What is Cobblestone?
    - [Mr. Warn] Cobblestone is a contract management system. It has approval and review workflows for contracts. So we go through a consistent process, retain document approvals, mark-ups, documentation, and comments within the program.
  - [Chairperson Ferguson] Workday didn't have any similar program?
    - [Mr. Warn] It has the ability to put contracts in there but it lacks the ability to have process workflows and document review.
- Anticipate inspector general reviews as there continues to be a large focus over compliance related to the pandemic response and recovery funding.

Mr. Kessler thanked the Finance department for their hard work and assistance. Mr. Warn expressed his gratitude to the CLA team and Mr. Kessler.

Chairperson Ferguson requested that Mr. Kessler give a summary of what an audit really is and what reasonable assurance is for the public during the CLA's presentation at the Board of Commissioner's meeting later that day. Mr. Kessler agreed. Chairperson Ferguson thanked CLA for their time and the Finance department on the clean report and dedication to getting through the audit.

***Mr. Larry Harris made a motion to make the recommendation to the Board of Commissioners to approve the Fiscal Year 2022 audit report and financial statements. Dr. Glenda Weinert seconded the motion. The motion passed unanimously.***

Mr. Kessler exited the meeting.

### **External Audit Evaluation Team – Chairperson Kendra Ferguson and Mr. Don Warn**

Mr. Warn explained that this is the final year of contract with CLA. An RFP is being put together and is slated to be sent out in January. Mr. Warn's team will select the top candidates and the committee will need to decide how they will evaluate them. Chairperson Ferguson explained that in previous years a subcommittee has been established. The subcommittee's purpose is to vet and review the applicants and present the options to the full committee for selection, no selection or recommendations will be made by the subcommittee itself. The Audit Committee decided to wait to take action on the subcommittee composition until the next meeting due to the rotation of audit committee members. Mr. Warn expressed that he is not opposed to CLA bidding again given the experience they've had with the team.

### **Internal Audit Update – Internal Audit Director Dan Keister**

Mr. Keister 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:

- 2 active audits, ITGC (final review process) and Cash Management (fieldwork phase).
- Assessing the best reporting format and presentation audience for the ITGC audit results to prevent exposure that would put the County at unnecessary risk for attack.
- Four EERL cases have been closed since our last meeting.
- Remediation action plans are now being discussed and agreed upon with management.
- The remediation action plans and audit plan recommendations are also being tracked and documented within Diligent.
  - [Chairperson Ferguson] You are now able to track any management action items that come up from audits or investigations within Diligent and continue to follow-up on those items?
  - [Mr. Keister] Absolutely. Many teams have to manually track these items and it can be unorganized and take time to see a clear overview of where they stand from a remediation point. We're also considering adding outside users, such as personnel from the IT team, who can utilize the tracker for their own purposes and update the system as progress is made.
  - [Chairperson Ferguson] That sounds like an excellent tool for the County Manager or other department heads to get a complete view on their controls and outstanding remediation items.
- There is Diligent-specific certification that the team plans to obtain to further master our skill in the software.
- New Grants Administrator will be a key player in the next audit, Grants Management.
  - [Chairperson Ferguson] Is this role under Strategic Partnerships?
  - [Mr. Warn] Yes, they are. This position was requested to have oversight over all the grants and help to ensure compliance.
  - [Chairperson Ferguson] Are they in the role currently?
  - [Mr. Warn] Yes, they've started and are with the County now. We've had discussions over how the Finance department can be of assistance and what I've noted could use some attention.

Mr. Keister thanked the IT Department for their time and collaborative efforts throughout the audit. Chairperson Ferguson thanked the IT Department and Internal Audit team for all their hard work.

### **Internal Audit Budget – Internal Audit Director Dan Keister**

Mr. Keister presented the budget for FY2023, which is attached to the minutes. Mr. Keister explained that the majority of the budget goes towards the team's salary and benefits given the nature of the work. The other categories include training, dues, and non-discretionary. Trainings are often offered remote now, which helps to save the County money by opting to take trainings remotely.

#### Questions and Responses:

- [Chairperson Ferguson] What is ISACA?
  - [Mr. Keister] Information Systems Audit and Control Association.
- [Chairperson Ferguson] Will that training amount be enough to cover CPE requirements?
  - [Mr. Keister] I believe it will be. We get free training from quite a few of the dues and subscriptions that we're paying for.
- [Chairperson Ferguson] Are you planning any travel for any of the training?
  - [Mr. Keister] Built into the budget is travel costs for maybe one person to attend a conference live.
- [Chairperson Ferguson] Could you talk through your logic behind not requesting a third staff position?
  - [Mr. Keister] I don't feel like we're taxed to get through any of the audit projects at this point. I want to be strategic about how we develop Paige and Candace. I don't currently want to add anyone over top of them because they're doing a good job. I want to leave room to grow into seniors within the program.
- [Chairperson Ferguson] So in future we'd look to recruit another staff auditor and promote our current staff?
  - [Mr. Keister] Yes, that would be the goal.

***Commissioner Al Whitesides made the motion to approve the budget as presented. Dr. Glenda Weinert seconded the motion. The motion passed unanimously.***

Chairperson Ferguson asked for a timeline of the budget process. Mr. Keister stated that the budget will be put into the system in January which will then trigger the review process. The new budget will be compared to what was spent in the prior year and any differences will be discussed. Once it's been reviewed it will roll into the overall County budget and be presented to the Board for approval in June.

#### **Annual Audit Committee Business – Audit Committee**

Annually, the Audit Committee is tasked with electing officers, establishing the regular meeting dates for the next calendar year, reviewing the compensation of the Internal Audit Director, and reviewing the rotation schedule of the Audit Committee members.

#### Recommendations of New Member Candidates

The Audit Committee received two applications for new members interested in being on the Audit Committee: Patrick Fitzsimmons and William Christy.

***Dr. Glenda Weinert made the motion to recommend the applicants to the Board of Commissioners as follows: William Christy to serve as a member of the banking community and Patrick Fitzsimmons to serve as a member of another governing body. Mr. Larry Harris seconded the motion. The motion passed unanimously.***

#### Election of Officers

The Officer positions are Chair, Vice-Chair and Secretary. The Secretary position is typically a staff person, due to the need to manage logistical items and is a non-voting position of the Audit Committee.

***Dr. Glenda Weinert made the motion for the Officers from 2022 to continue in 2023 as follows: Chairperson Kendra Ferguson, Vice-Chair Commissioner Al Whitesides, and Secretary Paige Anderson. Larry Harris seconded the motion. The motion passed unanimously.***

Dr. Glenda Weinert left the meeting at 10:17AM.

Proposed Calendar Year 2023 Regular Meeting Dates

The Committee sets its regular meetings for the calendar year. Any meetings outside of these meetings are required to be handled as special meetings and subject to special meeting rules. The following dates were proposed:

- Tuesday, February 21, 2023
- Tuesday, March 21, 2023
- Tuesday, June 6, 2023
- Tuesday, September 5, 2023
- Tuesday, December 5, 2023

The meeting time will be at 9:00 AM and the meetings will be held at 200 College Street, Asheville, NC 28801, unless trends in the COVID pandemic require remote meetings. Such changes will be communicated to the Committee members, staff and public via email and public-facing website.

*Commissioner Al Whitesides made a motion to approve the proposed meeting dates for Calendar Year 2023 as presented. Mr. Danny Yelton seconded the motion. The motion passed unanimously.*

**Public Comment**

There were no members of the public who commented at the December 5, 2022 meeting.

**Meeting Schedule Reminder for Calendar Year 2022**

There are no remaining scheduled meetings for Calendar Year 2022. Ms. Anderson will send out the Calendar Year 2023 meeting dates to the Committee and update the Audit Committee webpage.

**Adjournment**

Commissioner Whitesides moved to adjourn the meeting. Mr. Danny Yelton seconded the motion. Through voice vote, the motion passed unanimously. The December 5, 2022 Audit Committee meeting was adjourned at 10:19 AM.



Buncombe County, North Carolina

# Presentation of 2022 Audit Results to the Audit Committee

December 5, 2022

*We'll get you there.*

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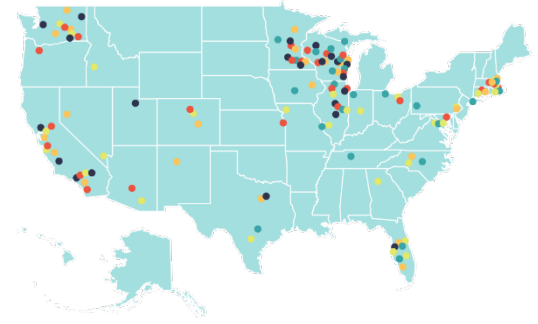
# Our Purpose

- CLA is the 8th largest public accounting firm in the country. **CLA exists to create opportunities for our clients, our people, and our communities** through industry-focused wealth advisory, digital, audit, tax, consulting, and outsourcing services.

7,500+  
PEOPLE

125+  
U.S. LOCATIONS

AN INDEPENDENT  
NETWORK MEMBER OF  
CLA Global



An infographic with a central image of three people in business attire standing in a hallway. The infographic is divided into colored sections: teal, red, yellow, and dark blue. Text includes: 'CREATING OPPORTUNITIES FOR OUR CLIENTS' with a building icon; '4,100+ GOVERNMENT ENTITIES SERVED'; '\$130+ MILLION IN REVENUE'; '60+ YEARS IN BUSINESS'; '450+ PROFESSIONALS'; and 'PROVIDING CONSULTING AND OUTSOURCING, AUDIT, TAX, AND DIGITAL SOLUTIONS'.



# Audit Services Performed

## Financial Statements

- Audit of the County's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022, in accordance with *Government Auditing Standards*

## Federal and State Compliance

- Single Audit in accordance with Uniform Guidance and the State Single Audit Implementation Act
- Includes audit of the Schedule of Expenditures of Federal and State Awards (SEFSA) and certification of the Data Collection Form





# Reports Delivered

Independent Auditors' Report

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report on Compliance For Each Major Federal and State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and State Single Audit Implementation Act

Governance Communication Letter



# Required Communications to Governance

- Auditors' Opinion on Financial Statements
  - Unmodified opinion
  - Emphasis of Matter Paragraph
    - Implementation of GASB 87 – *Leases* – Our opinion was not modified as a result of this matter
- Auditors' Opinion on Compliance
  - Unmodified opinion
- Scope and timing of audit proceeded as planned
- Significant accounting policies
  - In accordance with generally accepted accounting principles and consistent with industry practices and standards
- Change in accounting policies
  - Required application of GASB Statement No. 87 – *Leases* during 2022



# Required Communications to Governance

- Significant risks identified and built into our audit plan
  - Management override of internal controls
  - Revenue recognition
- No material audit adjustments
- Uncorrected misstatements
  - Reconciling items in unearned revenue
  - Reconciling items in landfill post-closure liability
- No difficulties encountered in performing the audit
- No disagreements with management
- Management was very cooperative, helpful, and professional during the audit process – ***THANK YOU!***



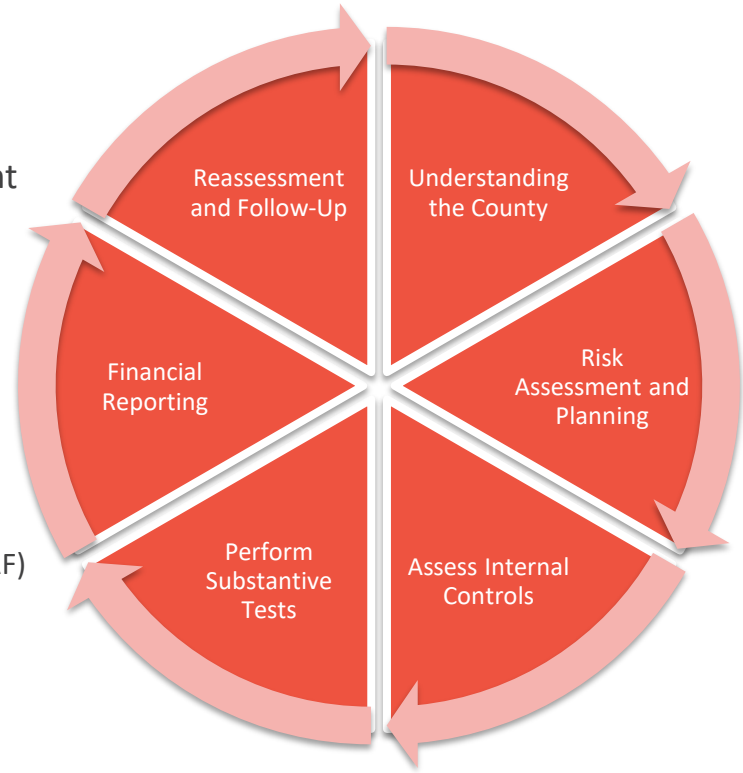
# 2022 Impact

- Pandemic-related Federal Grant Programs will be high-risk every year and are now required to be tested annually
- Change in Auditing Standards for 2022
  - Our reports and letters look different, but content is consistent
- GASB Statement No. 87 – *Leases*
  - The County was required to evaluate all contracts to determine applicability of long-term liability or receivable
  - This was a significant undertaking and the County made great effort to do this accurately and thoroughly



# Audit Approach Summary

- We have assessed the following areas to be of higher audit risk:
  - Overall internal control environment and management override of controls
  - Payables and cutoff of accruals
  - Revenue recognition - cutoff, classification, collectability
  - The County's implementation of GASB 87 - *Leases*
  - Grant compliance and Pandemic Related Revenues
    - Coronavirus Relief Fund (CRF)
    - Emergency Rental Assistance (ERA)
    - Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)
- Significant risks
  - Management override of internal controls
  - Revenue Recognition





# Highlights of Financial Position as of June 30, 2022

- Management’s Discussion and Analysis – Pages 7 through 17
- General Fund Financial Statements – Pages 24 and 26
  - Total Fund Balance of \$124.3 million
  - Components of Fund Balance:
    - Total Nonspendable Fund Balance of \$0.5 million
    - Total Restricted Fund Balance of \$32.0 million
    - Total Committed Fund Balance of \$1.8 million
    - Total Assigned Fund Balance of \$15.9 million
    - Total Unassigned Fund Balance of \$74.1 million
  - Increase in Fund Balance of \$7.7 million
- General Fund Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget to Actual – Pg. 29
  - Revenues were \$13.6 million above budget
  - Expenditures were \$18.8 million less than budgeted
  - Increase in Fund Balance was \$7.7 million compared to a budgeted decrease of \$27.7 million



# Single Audit Results

- Major Federal Programs Tested
  - Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)
  - Emergency Rental Assistance
  - Foster Care – Title IV-E
  - Medicaid Cluster
- Major State Programs Tested
  - Public School Building Programs
  - Juvenile Crime Prevention Council Programs





# Single Audit Results

- Single Audit Reports Issued
  - Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance, In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act
    - Unmodified opinion
    - 1 finding reported
      - 2022-001 – Significant Deficiency in Internal Control – Missing documented verification of a vendor's suspension and debarment status – Coronavirus State and Local Fiscal Recovery Funds
  - Independent Auditors' Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance, In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act
    - Unmodified opinion
    - No reported findings



# 2023 and Beyond

- New GASB Statements Impacting the County
  - *GASB No. 96 – Subscription-Based Technology Arrangements (2023)*
    - This will be a significant undertaking and logistical exercise for the County
- Continued focus on compliance related to the pandemic response and recovery funding



Thank you to everyone who  
assisted during the audit!

*We'll get you there.*

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Questions?

Christopher Kessler, CPA  
Principal

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**Internal Audit Department  
Audit Committee Update  
December 5, 2022**

**TABLE OF CONTENTS**

---

**SUMMARY** ..... 2  
**AUDIT PROJECTS** ..... 3  
**NONAUDIT PROJECTS** ..... 3  
**ADMINISTRATIVE** ..... 4

**SUMMARY**

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The Internal Audit Department (Internal Audit) provides this report to assist the Audit Committee (Committee) with their oversight responsibilities for the Department. It is Internal Audit’s goal to be a leader among local government Internal Audit Departments and provide support to the Buncombe County Board of Commissioners, County Management, the Audit Committee, and residents and visitors of Buncombe County in assessing accountability, transparency, and continuous improvement in County operations.

Since the last Audit Committee Meeting held in August 2022, the Internal Audit department has continued performing the first audit on the FY 2023 plan, a review of Information Technology General Controls, and is currently in the reporting phase of the project. Internal Audit has also kicked off the second audit on the FY 2023 plan, a review of Cash Management processes, and is currently in the fieldwork phase of the assessment.

In addition, the team has continued to focus on utilizing, the audit software, Diligent to support the audit program. Internal Audit Staff continue to work on a number of key Internal Audit supported functions, such as auto-approvals, Let’s Talk audit committee reporting, and EERL investigations.

If there are any questions regarding the content of this report, we are available for discussion. Thank you for your public service to Buncombe County and your continued support of Internal Audit.

Respectfully Submitted,

Dan Keister, CISA, Internal Audit Director

Candace Searcy, Internal Auditor

Paige Anderson, CPA, Internal Auditor

## **AUDIT PROJECTS**

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Internal Audit performs audit projects in accordance with generally accepted government auditing standards (GAGAS), issued by the Government Accountability Office's Comptroller General of the United States. These standards provide guidance to Internal Audit regarding qualifications of staff, requirements for systems of quality control and peer review, as well as planning, conducting, supervising, documenting, and reporting on audits. Internal Audit also consults the International Professional Practices Framework (IPPF) published by the Institute of Internal Auditors (IIA).

### **PROJECTS IN PROGRESS**

Since the last Audit Committee meeting held in August 2022, Internal Audit has kicked off the FY 2023 review of Cash Management operations and has progressed into the reporting phase of the ITGC audit.

The Cash Management review is in the fieldwork phase of the project. The Internal Audit team has conducted the formal kick-off meeting and is conducting walkthrough meetings with key personnel. Upon completion of the fieldwork phase the reporting phase of the engagement will begin.

The Information Technology review is in the reporting phase of the project. The IT Team has responded to a detailed control request that IA put together using industry IT control standards such as NIST. Internal Audit is working with the IT Team to finalize management actions plans for the control considerations identified through the assessment at this time.

### **PLANNED PROJECTS**

The FY 2023 Internal Audit Plan has been approved; therefore, the planned audit schedule is as follows:

- Q1 Information Technology
- Q2 Cash Management
- Q3 Grant Management
- Q4 Annual Risk Assessment

## **NONAUDIT PROJECTS**

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Internal Audit performs nonaudit projects as appropriate under GAGAS standards. Because of strict independence and objectivity requirements identified by these standards for staff, Internal Audit only performs certain nonaudit functions as defined in Internal Audit's governing documents. In addition, per the Personnel Ordinance<sup>1</sup>, Internal Audit has been given primary responsibility for all investigations of illegal or unethical behavior across the County.

### ***Investigations***

Internal Audit has received 26 investigations during Fiscal Year 2022 (July 2021 through June 2022). It should be noted that 8 of the 26 complaints are related to an extensive investigation that was conducted in the prior fiscal year due to a large number of reports being submitted relating to the same issue. This investigation has concluded and was discussed with the Audit Committee in a prior meeting. All cases for Fiscal Year 2022 have been either investigated by IA and reported out, closed for insufficient information, or handed off to the appropriate department and the status is being tracked by IA.

Internal Audit has received 6 investigations during Fiscal Year 2023 (July 2022 through current). Five investigations have been handed off to the relevant department. One investigation has been conducted by Internal Audit and is complete.

Internal Audit has no way to verify that there are no other report intake mechanisms used by the County and cannot ensure the current Personnel Ordinance is being followed. It should be noted that Human Resources has determined it will use Ethics Point as a case management tool, the HR department is working with the vendor to implement the use of case management tool at this time.

It is common for a County our size to have an active hotline. Internal Audit intends to work on additional ways to market Ethics Point (or as known by County staff the 'Employee Ethics Report Line' or EERL). In addition, Internal Audit intends to work to inventory other reporting mechanisms that may exist within the County and explore a centralized repository for lodging complaints. Communications & Public Engagement intends to procure software to centralize public communications

and input and Internal Audit intends to participate in discussions on how to best centralize all complaints for appropriate investigation or delegation.

<b>Reporting Sources for FY2022 Investigative Services</b>	
<b>3<sup>rd</sup> Party Hotline</b>	25
<b>Direct to Internal Audit</b>	1
<b>Direct to Human Resources</b>	Unknown
<b>Direct to Other Existing Reporting Channels</b>	Unknown
<b>Grand Total</b>	<b>26</b>

<b>Reporting Sources for FY2023 Investigative Services</b>	
<b>3<sup>rd</sup> Party Hotline</b>	6
<b>Direct to Internal Audit</b>	0
<b>Direct to Human Resources</b>	Unknown
<b>Direct to Other Existing Reporting Channels</b>	Unknown
<b>Grand Total</b>	<b>6</b>

**Coordination**

These services include coordination and facilitation for external auditing or monitoring agencies. Internal Audit staff have worked with the County Legal Department on external matters.

**Other Concerns Reported**

Internal Audit maintains a log of other concerns brought to Internal Audit’s attention that do not rise to the level of an investigation.

In Fiscal Year 2023 (July 2022 through December 2022), 0 concerns have been brought to Internal Audit’s attention.

**ADMINISTRATIVE**

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**Departmental Administrative Duties**

Internal Audit performs administrative functions for the department to maintain day-to-day operations.

The Internal Audit Department is utilizing Diligent the audit support and data analytic software to support the execution of the 2023 Internal Audit plan.

Internal Audit also and continues to coordinate Audit Committee meetings in conjunction with the Audit Committee Chair, as well as provides resources, information, and documentation to the Audit Committee.

Internal Audit continues to participate in continuing professional education (CPE). CPE is required for audits performed under GAGAS standards whether auditors are certified or not. A minimum of 80 CPE hours over two years with no less than 20 per year is required. Additional CPE requirements may be necessary depending on staff certifications (i.e., Certified Fraud Examiner).

Outreach throughout the County and involvement in national organizations have occurred since the previous meeting. The Internal Audit Director is a member of the Institute of Internal Auditors (IIA) and Information Systems Audit and Control Association (ISACA).

Internal Audit has also participated in business planning related to the County’s strategic plan. Ongoing work in implementation of Internal Audit’s Business Plan continues, as this is an ongoing process.



Internal Audit has worked with the Audit Committee, Board of Commissioners, and County Management to ensure they have the appropriate information needed to assist Internal Audit in decision-making, prioritizing work, and evaluating risk.

***County Administrative Duties***

Internal Audit also performs administrative functions on behalf of management, while ensuring to keep independence and objectivity at the forefront. These projects include:

- 1) **Monitoring:** Monthly review of timecards, expense reports, and purchase card activity for all appointed and elected officials, in response to an audit finding during the fiscal year 2018 external audit, as directed by the Board of Commissioners
- 2) **Meetings:** Department Director meetings, Foundational Focus Group, Policy Review Workgroup, and Grants Governance Workgroup
- 3) **Department Assistance:** Internal Audit assists departments as requested with questions related to historical information, questions about best practices, etc.

**Employee Ethics Report Line  
Fiscal Year 2022 Summary**

Report #	Summary	Action	Notes	Report Issued	Report Name
78	Supervisor Issue	Insufficient Information	Closed - Management and HR work ongoing	No	
79	Supervisor Issue	Insufficient Information	Closed - Management and HR work ongoing	No	
80	Favoritism	Unsubstantiated	Closed - Sheriff's Office provided information	Yes	Case 80 IA Report.pdf
81	Supervisor Issue	Insufficient Information	Closed - Management and HR work ongoing	No	
82	Supervisor Issue	Insufficient Information	Closed - Management and HR work ongoing	No	
83	Supervisor Issue	Insufficient Information	Closed - Management and HR work ongoing	No	
84	Supervisor Issue	Insufficient Information	Closed - Management and HR work ongoing	No	
85	Employee Performance Concern	Not Actionable	Closed - Management and HR work ongoing	No	
86	Inadequate Staffing Concern (Public Safety)	Identified System Issue	Closed - Management actions ongoing	Yes	Case 86 IA Report.pdf
87	Failing Equipment (Public Safety)	Insufficient Information	Closed - Made recommendations to management	Yes	Case 87 IA Report-Revised.pdf
88	Compensation	Substantiated - Identified System Issue - No Action Taken	Closed - Management action pending compensation study	Yes	Case 88 IA Report.pdf
89	County Policy Violation	Insufficient Information	Closed - Made recommendations to management	Yes	Case 89 IA Report.pdf
90	Retaliation Complaint	Identified System Issue	Closed	Yes	Case 90 IA Report-Revised.pdf
91	Unrelated to BC Operations	Not Actionable	Closed - Referred to Sheriff's Office	Yes	Case 91 IA Report.pdf
92	Inquiry about Hiring Decision	In Progress	Closed	Yes	Case 92 IA Report.pdf
93	Unrelated to BC Operations	Not Actionable	Closed	Yes	Case 93 IA Report.pdf
94	Hiring Irregularities (Public Safety)	Identified System Issue	Closed	Yes	Case 94 IA Report.pdf
95	Policy Violation	Insufficient Information	Closed - Insufficient Information	No	
96	Discrimination/ Harassment	Not Substantiated	Closed	Yes	Case 96 IA Report Final.pdf
97	Other	HR - In Progress	Closed - HR work ongoing	No	

**Employee Ethics Report Line  
Fiscal Year 2022 Summary**

Report #	Summary	Action	Notes	Report Issued	Report Name
98	Hiring Irregularities (Public Safety)	Identified System Issue	Closed	Yes	Case 98 IA Report Final.pdf
99	Conflicts of Interest, Stealing and Poor Leadership (Public Safety)	Identified System Issue	Closed	Yes	Case 99 IA Report Final.pdf
100	Inappropriate Social Media Conduct (Public Safety)	HR - In Progress	Closed - HR work ongoing	No	
101	Hostile behavior (Public Safety)	HR - In Progress	Closed - HR work ongoing	No	
102	Health and Safety	Action taken by management	Closed	Yes	Case 102 IA Report FINAL.pdf

**Employee Ethics Report Line  
Fiscal Year 2023 Summary**

<b>Report #</b>	<b>Summary</b>	<b>Action</b>	<b>Notes</b>	<b>Report Issued</b>	<b>Report Name</b>
103	Poor Leadership and Discrimination	HR - In Progress	Closed - HR work ongoing	No	
104	Other	Action taken by management	Closed	Yes	Case 104 IA Report FINAL.pdf
105	Compensation study	Legal - In Progress	Work ongoing		
106	Personnel Related Matter	HR - In Progress	Closed - HR work ongoing	No	
107	Policy Violation	SO - In Progress	Closed - Referred to Sheriff's Office	No	
108	Personnel Related Matter	HR - In Progress	Closed - HR work ongoing	No	



# Internal Audit Department

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FY2024 Budget



# FY 2024 Budget Overview

**FY 2024 Budget IA Request = \$465,586**

**Salary & Benefits - \$454,085**

- Full year 2 Auditors & Director

**Training - \$3,500**

- Various training events (NC Fraud Conference, ALGA Annual Conference, Dilligent, etc.)

**Dues, Subscriptions, Education Materials, & Supplies - \$4,551**

- ALGA, IIA, ISACA, CPA, etc.

**Non-Discretionary - \$3,450**

- Insurance Bonds, Telephone, etc.



# Questions/Feedback?



**Buncombe County Audit Committee**  
**Proposed Meeting Schedule for Calendar Year 2023**

- Tuesday, February 21, 2023  
*Purpose: Internal Audit updates, External Audit candidate evaluation and interviews*
  
- Tuesday, March 21, 2023  
*Purpose: Internal Audit updates, Risk Assessment/FY23 Audit Plan, External Audit selection and contracting*
  
- Tuesday, June 6, 2023  
*Purpose: Internal Audit updates*
  
- Tuesday, September 5, 2023  
*Purpose: Financial audit updates, Internal Audit updates*
  
- Tuesday, December 5, 2023  
*Purpose: Financial audit final report, procedural requirements of the Committee, Internal Audit budget request for upcoming fiscal year*

*NOTE: This is just a proposal based on the past requests of the Committee of meeting on the same day as Board of Commissioners meetings and taking into account approximate timelines of required tasks. This proposal is subject to change based on the decisions of the Buncombe County Audit Committee.*



Buncombe County Audit Committee  
Review of Internal Audit Director's Compensation

Daniel Keister

Annual Salary	\$ 115,965.11
Grade	3012
Total Base Pay Range	\$ 90,886.96 - \$ 140,874.79