

Minutes of Buncombe County Audit Committee
November 21, 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, Bill Christy

Members Absent: Martha Zeigler and Patrick Fitzsimmons

County Staff Present: Kelly Houston (Risk Manager), Melissa Moore (Finance Director), Glenn Murray (Accounting and Reporting Manager), Mason Scott (Interim Finance Director), Avril Pinder (County Manager)

Others Present:

The Audit Committee Chairperson, Kendra Ferguson, called the meeting to order at 9:01 AM.

External Audit Update and Proposed Audit Contract Amendments

Glenn Murray (Finance Department) gave an update on the external audit process and the reasons for the proposed audit contract amendments. The Finance Department had an internal deadline of October 20th to give the auditors the first draft to have issuance before Thanksgiving. They are ready to send back once the OPEB information is available.

The first reason for a proposed amendment to the audit contract is a financial increase. The preliminary SEFSA was completed in mid-May. There was one program that was on the radar to rise to the testing level in mid-May; however, Finance staff anticipated it would come in less. When the final SEFSA was completed, it was discovered that the program was over the threshold and would need to be tested. The additional contract cost of \$9,000 is due to the testing of this additional program.

Chairperson Ferguson asked if the program was state or federal. Mr. Murray responded that it was a state program for the Sheriff's Office. It is a program that had not been audited before and it is not a program that will continue (it is a one-time grant).

The second reason for a proposal amendment to the audit contract is a deadline extension. The OPEB reports were initially anticipated to be available by mid-November. But last week, Finance staff were notified that the report will not be available until the end of this week. The delay in this report's availability does not give the Finance staff and external auditors time to complete it before the initial contract deadline.

Chairperson Ferguson asked if there were issues with the vendor that provides that report. Glenn Murray advised that the vendor does the entire state, so the delays might be due to that.

The original audit contract amendment was an additional 15 days. However, due to the timing of Board of County Commissioner meetings, the first available time to present to them would be January 16, 2024. Therefore, it was suggested that the audit contract be amended with an end date of 12-31-2023 to provide room if any other issues arise with the OPEB report.

Chairperson Ferguson asked if any other issues have come up with this audit. Mr. Murray stated there might be a finding related to restatements with the opioid settlement. However, the County has followed the guidance of the LGC, and the

external auditors have been in communication with the LGC. Most of the other discussions with the external auditors' review have been narrative driven. The external auditors have a specialty in governmental finance and have been responsive and easy to work with.

Consideration and Vote of Proposed Audit Contract Amendments

Dr. Glenda Weinert made a motion to approve a \$9,000 audit contract increase and to extend the audit contract deadline to December 31, 2023. Commissioner Terri Wells seconded the motion. The motion passed unanimously.

Planning Discussion of the December 5, 2023 Meeting

The Internal Audit Department budget is normally reviewed and approved by the Audit Committee at the December meeting. Chairperson Ferguson asked County Manager Pinder about the budget deadlines and not having an Internal Audit Director. County Manager Pinder stated that Budget will consider the current Internal Audit budget for planning, and that they will allow for extra time for an Internal Audit Director to review and recommend changes to the proposed budget for Fiscal Year 2024. Therefore, the December 5, 2023 meeting will be to establish the Audit Committee calendar for 2024, appoint officers for 2024, obtain an update on Internal Audit activities handled by Risk Management, and potentially have a closed session, if needed, to discuss Internal Audit Director candidates.

Public Comment

There were no members of the public who commented at the November 21, 2023, meeting.

Meeting Schedule Reminder for Calendar Year 2023

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

Adjournment

The November 21, 2023, Audit Committee meeting was adjourned at 9:19 AM.