

Minutes of Buncombe County Audit Committee
October 24, 2017
9:00 AM

Members Present: Larry Harris, Kendra Ferguson, Andrew Hoffman, Robert Pressley, Al Whitesides, and Danny Yelton

Members Absent: Mike Knepshield

County Staff Present: Terri Orange, Tim Flora, Jennifer Durrett, Diane Price, Krystal Frizzell, Michael Frue, and Blair Chamberlain

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

Meeting Minutes

The minutes from the September 19, 2017 meeting were presented. There was no discussion. Al Whitesides moved to accept the minutes. Danny Yelton seconded the motion. All Committee members voted in favor of the motion.

Draft Financial Statements Review and Discussion

Jennifer Durrett, Controller, presented a draft of the fiscal year 2017 Comprehensive Annual Financial Report (CAFR) for Committee review. She explained that the statements were prepared this year by the external auditors, Gould Killian CPA Group PA, due to the demands on Finance Department staff related to the Workday software implementation. There were no audit findings to be reported and no management letter comments.

Several of the exhibits in the report were discussed by the Committee and ideas were exchanged regarding the appropriate level of available fund balance to be maintained in the General Fund. Al Whitesides expressed a concern that the County's available fund balance percentage of 17% might be high considering that the state requirement is only 8%. Tim Flora, CFO, acknowledged the state requirement is 8%, but explained that the County's percentage is among the lowest in its peer group.

Jennifer reminded the Committee that the County received its second AAA bond rating during the fiscal year.

The completed CAFR will be presented to the Committee at the next meeting to be called in November or December once the audit is complete and the report finalized.

Internal Audit Update

Internal Auditor, Terri Orange, gave the Committee an update on recent activities of the internal audit function. She informed them that the changes the Committee had recommended to the Board of County Commissioners had been presented and approved at the Commissioners' October 3rd meeting. Since the approval, Terri is moving forward with becoming COSO Certified and creating training materials for county-wide use. She is also working with several departments to help evaluate and suggest improvements to various processes.

Audit Subcommittee Formed

Larry Harris discussed the newly acquired responsibility of the Audit Committee to give oversight and direction to the Internal Auditor. In order to facilitate that function, he suggested an Audit Subcommittee to consist of the two Commissioners on the Audit Committee and the Audit Committee Chair. The

Subcommittee would give the Internal Auditor additional oversight and advice with regular meetings either over the phone or in person without having to convene the entire Audit Committee.

Larry Harris called for a motion to form a Subcommittee consisting of the two commissioners and the chair of the Audit Committee to which the Internal Auditor will report regularly for ongoing supervision and oversight. Kendra Ferguson made the motion; Andrew Hoffman seconded, and the motion was approved unanimously.

Adjournment

Larry called for a motion to adjourn the meeting; Al Whitesides made the motion, Andrew Hoffman seconded and the motion was approved unanimously.