

Minutes of Buncombe County Audit Committee
March 15, 2022
9:00 AM
200 College Street, Room 310, Asheville, NC 28801

Members Present: Chairperson Kendra Ferguson, Commissioner Robert Pressley, Commissioner Al Whitesides, Dr. Glenda Weinert, Danny Yelton, and Larry Harris,

Members Absent: Mike Knepshield

County Staff Present: Dan Keister (Internal Audit Director), Kelly Houston (Risk Manager/Audit Committee Secretary), Michael Frue (Senior Attorney), Don Warn (Finance Director), Terri Orange (Assistant Finance Director), and Glenn Murray (Accounting and Reporting Manager)

Others Present: Chris Kessler, CLA

The Audit Committee Chairperson, Kendra Ferguson, called the meeting to order at 9:06 AM.

Fiscal Year 2021 External Audit Update – Don Warn and Chris Kessler

Finance Director Don Warn shared that the Fiscal Year 2021 external financial audit was complete and there were no issues or findings. He introduced Chris Kessler with CLA, who gave a presentation on the audit process and findings. The presentation is attached to the meeting minutes.

Highlights from the presentation include:

- The Financial Statement and Single Audits are complete for Fiscal Year 2021.
- Unmodified (clean) opinion
- Delays were due to waiting for the OMB to issue compliance supplements and addendums
- The Federal government anticipates the Fiscal Year 2022 compliance supplements will be published more timely
- CLA expresses their appreciation to the Finance Department for responsiveness and cooperation throughout the audit process
- COVID-related funding will have to be tested every year
 - This is burdensome on the County (administering the programs and auditing the programs every year)
- Audit Approach Summary
 - Some risks remain from year to year by nature of what they are
 - Some risks may change from year to year
- Great success by the County to have no findings, especially during a pandemic, with added pandemic funding

Questions and Responses:

- [Dr. Weinert] What is the increase in Fund Balance attributed to?
 - [Mr. Warn] Property and sales tax came in higher than budgeted and increased federal funding. Other revenues, such as permits, are dependent on the economy. The Finance and Budget Departments are watching inflation closely. There is also a new County policy that anything over 20% in Fund Balance goes to capital fund.
 - [Mr. Kessler] The last time governments were doing this well financially was during the height of the last housing market increase, back around 2005-2006. Buncombe County is in line with other government trends.
- [Mr. Harris] Asked about the \$10 million Safe Harbor.
 - [Mr. Warn] Apply toward revenue loss.

Dr. Glenda Weinert made a motion to make the recommendation to the Board of Commissioners to approve the Fiscal Year 2021 audit report and financial statements. Commissioner Whitesides seconded the motion. The motion passed unanimously.

Chairperson Ferguson expressed her appreciation to the Buncombe County Finance team for a job well done. Mr. Warn introduced Glenn Murray to the Audit Committee. Mr. Murray is the new Accounting and Financial Reporting Manager for the County, having previously served as the Disbursements Manager.

Review and Approval of Meeting Minutes – Chairperson Kendra Ferguson

The January 18, 2022 meeting minutes were presented and reviewed. There were no revisions or discussion.

Dr. Glenda Weinert moved to approve the minutes as presented. Larry Harris seconded the motion. The motion passed unanimously.

Governance Documents – Chairperson Kendra Ferguson and Internal Audit Director Dan Keister

Chairperson Ferguson shared that the Governance Documents had been previously approved by the Audit Committee, but in discussions with management, a few revisions had been made to the Audit Committee Charter and the Internal Audit Charter. No revisions were made to the Audit Committee Bylaws. Mr. Keister shared that he had reviewed the Governance Documents, which consist of the Audit Committee Charter, the Internal Audit Charter, and the Audit Committee Bylaws. He finds that they align with best practices and are in good shape to serve the Audit Committee, the County, and the Internal Audit Department well.

Mr. Keister states that the Audit Committee Charter provides independence, documented practices, and are in alignment with *Government Auditing Standards* (Also known as “Yellow Book”). He revised a paragraph in the Internal Audit Charter, under the “Responsibility” heading to ensure independence for not only the Internal Audit Department, but also the Internal Audit Team. Mr. Keister also added a section for Quality Assurance (QA) in the Internal Audit Charter.

Chairperson Ferguson states that she has reviewed the updated Audit Committee Charter and Internal Audit Charter as well. She notes that the defined roles related to investigations is a good update to the Internal Audit Charter, as this has been an area of discussion and unclarity for some time.

Commissioner Al Whitesides made a motion to approve the Audit Committee Charter as presented. Commissioner Robert Pressley seconded the motion. The motion passed unanimously.

Dr. Glenda Weinert made a motion to approve the Internal Audit Charter as presented. Danny Yelton seconded the motion. The motion passed unanimously.

The Audit Committee Bylaws were unchanged and were approved last year on March 2, 2021.

Risk Assessment Overview – Internal Audit Director Dan Keister

Mr. Keister gave a presentation to the Audit Committee on the progress of the Risk Assessment. The presentation is attached to the meeting minutes.

Highlights from the presentation include:

- The purpose of the Risk Assessment is to understand inherent risks, is the foundation of the Internal Audit plan, and determine where to focus audit resources
- Reminder: COSO Framework used during the Risk Assessment process
- Over 45 interviews
- Risk factors based on COSO
- The Risk Application slide is only a snapshot – not all departments are shown nor all risk factors
- Summary of High-Risk Operations

- Fiscal Year 2023 Audit Plan
 - Considerations
 - Audit staffing
 - IT General Controls – cybersecurity will not be included
 - Cash Management – due to decentralized cash collections
 - Grants Management – many departments and many different requirements
 - Will cover both incoming and outgoing grants
 - Risk Assessment refresh – Completed annually
 - The Audit Plan is a draft that is subject change due to investigations or other high-priority projects that come up throughout the year.

Chairperson Ferguson asked if the potential for a new Sheriff in the upcoming election will impact the Audit Plan. Mrs. Houston stated that a change in Sheriff usually leads to audits in the evidence room and BCAT, in addition to others that may be requested. Mrs. Houston and Mr. Keister will discuss.

Larry Harris made a motion to accept the Fiscal Year 2023 Audit Plan as presented. Commissioner Al Whitesides seconded the motion. The motion passed unanimously. (Dr. Weinert was absent for this vote.)

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:

- A lot of time spent on the Risk Assessment and Audit Plan
- Mrs. Houston continues to do monthly Internal Audit tasks, investigations, and the Employee Ethics Report Line
- The governance documents have been reviewed and refreshed
- Staffing Update:
 - 2 Open FTEs
 - Interviews were last week
 - Working with the HR Department on extending offers

Chairperson Ferguson requested that Mr. Keister email the Audit Committee with staffing updates when that information is available.

Conflict of Interest Disclosures Module Update – Internal Audit Director Dan Keister

Historically, this module was purchased through Navex Global to manage the Conflict-of-Interest Disclosures of the County workforce. After the module was ready to go live in late summer 2021, management changed course and wanted to use Workday for managing the disclosures. Recently, management has decided to return to the decision of using the Conflict-of-Interest Disclosures module through Navex Global. The Human Resources (HR) Department will manage this module, and Mr. Keister is working with both Navex Global and the HR Department on this project.

Public Comment

There were no members of the public in attendance at the March 15, 2022 meeting.

Meeting Schedule Reminder for Calendar Year 2022

The following dates are for the remaining scheduled meetings of the Audit Committee for calendar year 2022:

- Tuesday, June 7, 2022 at 9:00 AM
- Tuesday, August 16, 2022 at 9:00 AM
- Tuesday, November 1, 2022 at 9:00 AM

- Tuesday, December 6, 2022 at 9:00 AM

The meetings will be held at 200 College Street, Asheville, NC 28801, unless trends in the COVID pandemic response require remote meetings. Such changes will be communicated to the Committee members, staff and public via email and public-facing website. If a remote meeting is required, accommodations will be made to ensure anyone from the public wishing to comment may do so.

Adjournment

The March 15, 2022 Audit Committee meeting was adjourned at 10:29 AM.



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Buncombe County Presentation of 2021 Audit Results

March 15, 2022

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Firm Overview

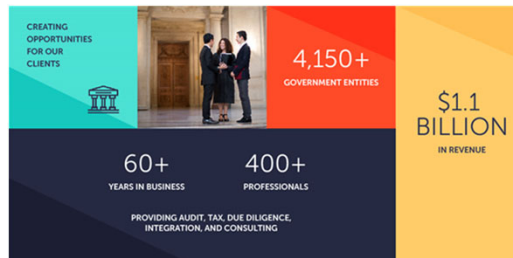
- CLA is the 8th largest public accounting firm in the country. CLA exists to create opportunities for our clients and our communities through industry-focused wealth advisory, outsourcing, audit, tax and consulting services.

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MORE THAN
7,400
PEOPLE

MORE THAN
120
U.S. LOCATIONS

WE ARE PART OF A
GLOBAL
AFFILIATION



Create Opportunities

2

Audit Services Performed

Financial Statements

- Audit of the County’s Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2021, in accordance with *Government Auditing Standards*

Federal 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 to be Delivered

<p>Independent Auditors’ Report</p>	<p>Report on Internal Control Over Financial Reporting and On Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> (Yellow Book Report)</p>	<p>Independent Auditors’ Report on Compliance For Each Major Federal and State Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and State Single Audit Act (Single Audit Report)</p>	<p>Governance Communication</p>
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Required Communications to Governance

- Auditors' Opinion on Financial Statements
 - Unmodified opinion
 - Emphasis of Matter Paragraph
 - Implementation of GASB 84 – *Fiduciary Activities* – 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
- Significant estimates within the financial statements
 - Landfill post-closure liability
 - Pension liability
 - Claims liability
 - OPEB liability



Required Communications to Governance

- No material audit adjustments
- Uncorrected misstatements
 - OPEB Liability – Actuarial Error
 - Impact of prior year accrual adjustments
- No difficulties encountered in performing the audit
- No disagreements with management
- Management was very cooperative, helpful, and professional during the audit process



2021 Impact

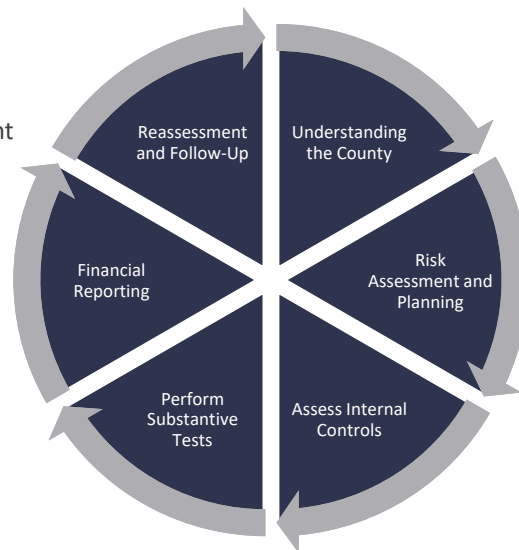
- The Federal Office of Management and Budget (OMB) extended single audit deadlines
 - OMB issued the 2021 Compliance Supplement later than expected
 - Have since issued 2 addendums
 - Did not provide Compliance Supplement for programs as planned
- Pandemic-related Federal Grant Programs will be high-risk every year and are now required to be tested annually
- GASB Statement No. 84 – *Fiduciary Activities*
 - The County was required to evaluate all prior Agency Funds and assess all activity sources and flows to adjust the financial statements.
 - County management made great effort to do this accurately and thoroughly

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Audit Approach Summary

- We have assessed the following areas to be of higher audit risk:
 - Overall internal control environment and management override of controls
 - Remote and in-person as necessary
 - Payables and cutoff of accruals
 - Revenue recognition - cutoff, classification, collectability
 - Grant compliance and Pandemic Related Revenues
 - Coronavirus Relief Fund (CRF)
 - Emergency Rental Assistance (ERA)
 - American Rescue Plan Act (ARPA)
- Areas where findings were noted in the 2020 audit were assessed at higher risk until the findings are resolved



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Financial Statement Reported Findings



- None reported
- Suggestions and comments related to process improvements were made verbally to County management. None rose to a level of reportable finding.



Single Audit Results

- Major Federal Programs Tested
 - SNAP Cluster
 - Coronavirus Relief Fund
 - Emergency Rental Assistance
 - Temporary Assistance for Needy Families
 - Medicaid Cluster
- Major State Programs Tested
 - State Foster Care Benefits
 - Juvenile Crime Prevention Council Programs



Single Audit Results

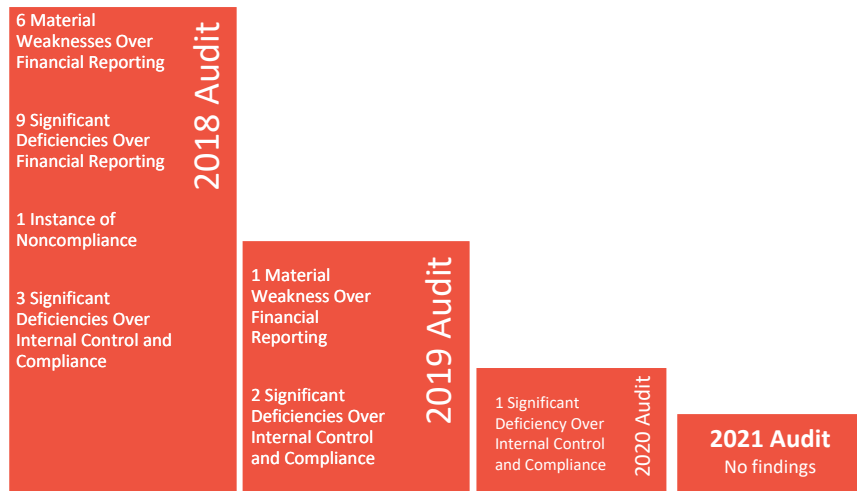
- Single Audit Reports Issued
 - Independent Auditors’ Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance, In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act
 - Unmodified opinion
 - No reported findings

 - 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

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Year to Year Finding Summary



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Highlights of Financial Position as of June 30, 2021

- Management's Discussion and Analysis – Pages 7 through 17
- General Fund Financial Statements – Pages 24 and 26
 - Total Fund Balance of \$116.7 million
 - Components of Fund Balance:
 - Total Nonspendable Fund Balance of \$0.1 million
 - Total Restricted Fund Balance of \$25.7 million
 - Total Committed Fund Balance of \$15.1 million
 - Total Assigned Fund Balance of \$9.3 million
 - Total Unassigned Fund Balance of \$66.5 million
 - Increase in Fund Balance of \$18.9 million
- General Fund Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget to Actual – Pg 28
 - Revenues were \$19.3 million above budget
 - Expenditures were \$17.9 million less than budgeted
 - Increase in Fund Balance was \$18.9 million compared to a budgeted decrease of \$15.5 million



2022 and Beyond

- New GASB Statements Impacting the County
 - GASB No. 87 – *Leases (2022)*
 - GASB No. 96 – *Subscription-Based Technology Arrangements (2023)*
- Information Technology Security
- Continued focus on compliance related to the pandemic response and recovery funding



Questions?

Christopher Kessler, CPA
Principal

Chris.Kessler@CLAconnect.com



CLAconnect.com



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County Risk Assessment

Presented by

Dan Keister

Internal Audit



Purpose: Risk Based Auditing

COSO

Committee of Sponsoring Organizations of the Treadway Commission

www.coso.org



Risk Assessment Process

Identify Auditable Entities: Identify full scope of business operations, strategic goals of the organization and departments, etc.

Apply COSO Risk Factors: Apply “High”, “Medium”, “Low” risk rating for each of the 8 COSO risk factors.

Calculate Cumulative Risk Rating: Calculate a cumulative risk rating using the ratings applied for each of the 8 COSO risk factors.

Formulate Internal Audit Plan: Utilizing the cumulative risk ranking assessed draft an Internal Audit Plan providing coverage of “high” risk operations.



Risk Factors

Strategic Risk – Inability to meet business goals, objectives, or strategy due to an ineffective or inefficient business model; an improper or ineffective organizational structure; or improper or ineffective strategic planning.

Financial Risk – Circumstances that could result in significant financial implications to the organization. Failure to meet financial obligations or requirements and/or failure to comply with funding requirements thus impairing future funding.

Legal & Regulatory Risk – Noncompliance with legal or regulatory requirements can result in fines, penalties, or other adverse impact to the organization.

Environmental Health & Safety Risk – A condition or vulnerability that has an adverse effect on the environment or negatively impacts the health and/or safety to employees and/or local citizens.



Risk Factors

Information Technology – Technology used does not effectively support the current and future needs of the organization. Compromise to the integrity, access and/or availability of data or operating systems.

Fraud Risk – Susceptibility to theft, waste, and abuse of organizational resources. Assets and information that is vulnerable to theft or manipulation.

Human Capital Risk – Lack of proper skill set, resources, training or succession planning.

Reputational Risk – Improper instructions, communication, and interactions with customers (internal or external), regulators, or constituents that may result in negative public perception and/or could harm the reputation of the organization.



Risk Application

Audit Universe by Department	Strategic	Financial	Legal & Regulatory	Health & Safety	Information Technology
Agriculture & Land Resources	3	2	3	3	1
Air Quality	3	2	3	3	1
Board of Commissioners	3	3	2	1	1
Budget	3	3	2	1	3
City/County ID	1	2	2	1	2
Clerk to the Board	3	1	3	1	1
Communications and Public Engagement (CAPE)	3	1	3	2	2
County Managers Office	3	2	2	1	2
Election Services	2	1	3	1	3
Emergency Services	3	2	3	3	2
Finance	3	3	2	1	3
General Services	2	2	1	2	2
Health & Human Services	2	2	3	3	3
Human Resources	2	2	3	2	3
Information Technology	3	3	3	3	3
Intergovernmental Relations	3	3	3	1	2
Internal Audit	1	2	3	1	3
Justice Services	2	2	3	2	2
Legal & Risk Management	3	1	3	1	1
Library	1	1	2	2	3
Strategy & Innovation	3	2	2	1	3
Permits & Inspections	1	2	3	1	2
Planning	3	2	3	1	3
Recreational Services	2	2	2	2	3
Register of Deeds	3	2	3	2	3
Sheriff's Office	3	2	3	2	3
Solid Waste	2	3	3	3	2



Cumulative Risk Rating

Impact	High	19	22	24
	Medium	14	17	20
	Low	8	11	15
		Low	Moderate	High
		Likelihood		



High Risk Operations

Audit Universe by Department	Cumulative Ranking Total
Information Technology	23
Sheriff's Office	21
Emergency Services	21
Finance	21
Health & Human Services	21
Human Resources	21
Register of Deeds	21
Strategic Partnerships	21
Budget	20
Intergovernmental Relations	20
Justice Services	20
Solid Waste	20



FY 2023 Audit Plan & Considerations

Project	Topic	Timing
Information Technology	General Control (ITGC)	Q1 – FY 2023
Cash Management	Finance	Q2 – FY 2023
Grants Management	Strategic Partnerships	Q3 – FY 2023
Risk Assessment	Risk Management	Q4 – FY 2023
Non-Audit Projects	Entity-wide	FY 2023
Investigations	Entity-wide	FY2023





**Internal Audit Department
Audit Committee Update
March 15, 2022**

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SUMMARY

The Internal Audit Department (Internal Audit) provides this report to assist the Audit Committee (Committee) with their oversight responsibilities for the Internal Audit 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.

Internal Audit operated with one full-time employee from January 18, 2022 to March 15, 2022. Internal Audit Director Dan Keister began employment on January 10, 2022. The Audit Committee, Mr. Keister and Ms. Houston have been executing a transition plan to ensure all aspects of the Internal Audit program are transitioned to Mr. Keister.

If there are any questions regarding the content of this report, I am 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

Kelly Houston, CIA, CGAP, CFE, Internal Auditor/Risk Manager

AUDIT PROJECTS

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

Internal Audit is performing an Organization Wide Risk Assessment. This assessment is being performed utilizing the Enterprise Risk Management – COSO Integrated Framework.

PLANNED PROJECTS

Utilizing the results of the Organizational Wide Risk Assessment Internal Audit has formulated a 2023 Draft Internal Audit Plan for review and consideration by the Audit Committee. Once the Committee approves the proposed risk-based audit plan, the plan will then be presented to the Board of Commissioners for approval. Once approved Internal Audit will begin executing the 2023 Internal Audit Plan.

NONAUDIT PROJECTS

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 Ordinance¹, Internal Audit has been given primary responsibility for all investigations of illegal or unethical behavior across the County.

Investigations

Internal Audit has received 54 investigations during Fiscal Year 2021 (July 2020 through June 2021). Of these cases, 51 are complete and 3 do not have the details available to Internal Audit. It should be noted that 25 of the 3rd Party Hotline requests are related to similar issues and required an extensive investigation in partnership with Human Resources. The extensive investigation was divided into three parts. The first two reports were discussed in a prior Audit Committee meeting, and Internal Audit worked with Human Resources and County Management on the third part of the investigation.

Internal Audit has received 22 investigations during Fiscal Year 2022 (July 2021 through current). Of these cases, 6 are active. It should be noted that 7 of the 22 complaints are related to the similar issues noted in the paragraph above, and Internal Audit worked with Human Resources and County Management on the third part of the investigation.

Internal Audit has no way to verify that there are no other report intake mechanisms used by the County and cannot ensure the Personnel Ordinance is being followed. It should be noted that Human Resources has determined it will not use Ethics Point as a case management tool, opting instead to use Microsoft Excel; therefore, Internal Audit does not have an updated count of complaints that went directly to Human Resources. This is a violation of the current Personnel Ordinance¹.

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.

Reporting Sources for FY2021 Investigative Services	
3rd Party Hotline	47
Direct to Internal Audit	7
Direct to Human Resources	Unknown
Direct to Other Existing Reporting Channels	Unknown
Grand Total	54

Reporting Sources for FY2022 Investigative Services	
3rd Party Hotline	21
Direct to Internal Audit	1
Direct to Human Resources	Unknown
Direct to Other Existing Reporting Channels	Unknown
Grand Total	22

¹It should be noted that the Human Resources Director has been tasked with a rewrite of the Personnel Ordinance.

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 2021 (July 2020 through June 2021), 10 concerns were brought to Internal Audit’s attention. Examples of these concerns include inconsistencies with IRS guidance, concerns over terminated employees still having access to County systems, Workday Business Process failures, and a potential CJIS violation. These concerns were discussed with management.

In Fiscal Year 2022 (July 2021 through current), 11 concerns have been brought to Internal Audit’s attention. Examples of these concerns include policy violations reported, conflicts of interest, concern about an underrepresented group, pay inequity, red flags noted in financial processes, concerns with promotional processes, and a concern about a nonprofit receiving funding. These concerns have been communicated to management, and one concern was moved to investigation status after the information was reviewed by Internal Audit.

ADMINISTRATIVE

Departmental Administrative Duties

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

The Fiscal Year 2023 Internal Audit Budget that was recommended by the Audit Committee is currently under review by County Management. Preliminary meetings suggest that the full budget will be approved and adopted. Final budget is set to execute in June 2022.

Since the last Audit Committee meeting, the Internal Audit Department has coordinated the refresh of the following Audit Governance Documents (Audit Committee Charter, Audit Committee By-laws, and the Internal Audit Charter). The draft documents have been prepared for review and approval by the Audit Committee. Once feedback is received and approval is obtained the documents will be approved by the Board of Commissioners.

Additionally, Internal Audit was granted two Internal Auditor positions to hire in 2022. Internal Audit has been working with the Human Resources Department to recruit and hire the audit FTE's. Interviews for the open positions concluded the week of March 1st and offers are being extended to the leading candidates. The Internal Audit Department is wrapping up the implementation of Galvanize (Diligent) the audit support and data analytic software. The system will be used to support the execution of the 2023 Internal Audit plan.

In the last report to the Audit Committee, Internal Audit reported management's decision to not utilize the Conflict-of-Interest Disclosures module through Navex Global, but to build the process in the County's existing ERP system, Workday. Since our last meeting, management has decided to explore the use of Navex Global instead of Workday to support the COI disclosure process. This module was an out-of-the-box solution to allow disclosure and reporting on potential conflicts of interest all employees may have. A contract was signed for this product, and Internal Audit is continuing to partner with the Human Resources Department to explore the use of Navex Global COI Disclosures module.

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

Internal Audit has also participated 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). The Internal Auditor/Risk Manager serves on the Professional Issues Committee through the Association of Local Government Auditors (ALGA).

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, Grants Governance Team, Offboarding Work Group, Investigative/Admin Leave Work Group, IT Security and Data Privacy Work Group, Tech Review Team, COVID Revenue Team, Policy Review Team, Foundational Focus Group and the Race for Equity Co-Design Team
- 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)	In Progress			
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)	In Progress			
95	Policy Violation	In Progress			
96	Discrimination/ Harassment	Not Substantiated	Closed	Yes	Case 96 IA Report Final.pdf
97	Other	HR - In Progress			
98	Hiring Irregularities (Public Safety)	In Progress			