

**Minutes of Buncombe County Audit Committee**  
**March 3, 2020**  
**9:00 AM**

**Members Present:** Chairman Larry Harris, Commissioner Robert Pressley, Commissioner Al Whitesides, Andrew Hoffman, Kendra Ferguson, Danny Yelton, and Mike Knepshield

**Members Absent:** N/A

**County Staff Present:** Trisha Burnett, Kelly Houston, Terri Orange, Don Warn, Autumn Lyvers, Chris Wallace

**Others Present:** N/A

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The Audit Committee Chairman, Larry Harris, called the meeting to order at 9:04 AM.

**Review and Approval of Meeting Minutes**

The December 3, 2019 meeting minutes were presented and reviewed.

*Kendra Ferguson moved to approve the minutes as presented. Commissioner Whitesides seconded the motion. The motion passed unanimously.*

**Fiscal Year 2020 Financial Audit – Contract and Update**

Don Warn, the County Finance Director, presented an overview of the Fiscal Year 2020 external financial audit contract. The contract continues with CliftonLarsonAllen (CLA) in Fiscal Year 2020. The audit fee totals \$128,295, which is approximately a \$6,000 increase; however, Mr. Warn is agreeable to this increase.

Don Warn reiterated that the process is to present the audit contract to the Audit Committee, review it, obtain approval from the Audit Committee, and have the Audit Committee Chairman sign the contract. Following these procedures, he would present the audit contract to the Buncombe County Board of Commissioners at a future meeting for approval.

*Commissioner Whitesides moved to approve the fiscal year 2020 audit contract. Commissioner Pressley seconded the motion. The motion passed unanimously. Chairman Harris later signed the audit contract.*

**Member Reappointments**

Chairman Harris requested an update from Internal Audit staff on the status of the Audit Committee vacancy postings and applications. Kelly Houston reported that one application had been received from Kendra Ferguson for reappointment to the committee.

Chairman Harris also inquired on the status of the other vacancy with no current applications. Kelly Houston reported that with changes to the Boards and Commissions Policy, she would check with the Clerk to the Board to determine the answers to those questions. In the meantime, Andrew Hoffman will continue to serve on the

committee as long as he is able to. Kelly Houston will find out if Andrew Hoffman is still an active member of the committee even though his term has expired, and will inquire on next steps to filling the vacancy.

### **Internal Audit Update**

Internal Audit Director Trisha Burnett updated the committee on what the Internal Audit Department had been working on since the last meeting.

- Audits
  - There have been a few audits started that have had a scope change during the course of the audit work, due to management's participation of addressing issues in the audited areas.
  - BCAT
    - Due to the recent announcement of dissolution of the interlocal agreement between the Buncombe County Sheriff's Office and the Asheville Police Department, the Sheriff's Office has requested an audit of BCAT, which is underway.
- Nonaudit Work
  - COSO Training for Management
    - The Finance Department volunteered to be the first department to have in-house COSO training.
    - Internal Audit will also facilitate control self-assessments (CSAs) within the Finance Department for various business processes at their request. Independence safeguards will be in place.
    - Internal Audit has also developed a tool for the Performance Management Department to utilize to integrate COSO while assisting County departments with business plans.
  - Investigations
    - Internal Audit continues to provide assistance to outside investigators as well as to the County Legal Staff for public records requests related to ongoing external investigations.
    - The Human Resources Department has requested the assistance of Internal Audit for several internal matters that have come up.
  - Administrative
    - While Internal Audit cannot impair independence by participating in meeting the County's strategic goals, it can incorporate audits that place assurance on how well the County is meeting those strategic goals when measurable milestones are available.
    - Internal Audit will also be developing strategic goals for their department in the near future.
    - There is a continual process of evaluating and revising Internal Audit policies and procedures. The original policies and procedures were written as the preliminary guidance for a new Internal Audit function. As the department matures, it is necessary to assess and revise the policies and procedures to optimize the work of the department.
    - Internal Audit has their budget presentation to the County Manager next week.
- Optimal Focus Points for Internal Audit
  - Trisha Burnett has learned that foundational items, such as updated policies and procedures, an enterprise risk management process, and implementation of the COSO framework, are not in place. Therefore, at the current time, audits would be pointing out what management already knows – that these foundational items are not in place and functioning properly. There are not a lot of processes or areas that Internal Audit can place assurance on at this time, due to these limitations.
  - Trisha Burnett would like to focus Internal Audit resources on collaborating with County Management, while maintaining strict safeguards for independence, in training and advising on areas that need management's attention.

- Internal Audit Communications with the Audit Committee
  - Chairman Harris noted that it might be beneficial to provide more information ahead of a meeting so that committee members are aware on what has been going on.
  - Kelly Houston mentioned that Internal Audit still maintains records of activities performed during the month, and asked if the Committee would like to resume receiving a short monthly summary. Chairman Harris stated that if that information is available without creating additional work, he feels it would be beneficial.
- Other Discussions
  - Kendra Ferguson commented that two staff in Internal Audit is not adequate to accomplish all of these tasks.
  - Kendra Ferguson also asked two questions about the budget summary that is included in the December 3, 2019 meeting minutes:
    - Is the software request specific to Internal Audit?  
Trisha Burnett explained that yes, the software is for internal audit documentation, electronic workflows, and data analytics.
    - What is the increase for in contracted services?  
Trisha Burnett explained that the increase was to cover the approximate cost for a countywide IT risk assessment by the National Guard. Chris Wallace, the County's Chief Information Security Officer (CISO) explained that the National Guard recently did one assessment and he will send the detailed report to Internal Audit when it is available. Chris Wallace also advised that the County recently had a HIPAA review, and he will forward the report to Internal Audit when it is available as well.
  - Don Warn asked Trisha Burnett if she had received any updates or feedback from the Budget Department on the position requests in the Internal Audit budget request. She stated she had not.

### **Meeting Schedule Reminder for Calendar Year 2020**

The following dates are for scheduled meetings of the Audit Committee for the remainder of calendar year 2020:

- Tuesday, June 2, 2020 at 9:00 AM
- Tuesday, October 20, 2020 at 9:00 AM
- Tuesday, December 1, 2020 at 9:00 AM

Each of these proposed meeting dates aligns with regularly scheduled meeting dates for the Board of Commissioners. If an Audit Committee meeting is needed outside of the adopted regular schedule, it will be advertised in accordance with special meeting requirements.

### **Public Comment**

Chairman Harris noted that there were no members of the public present in the meeting room to make comment.

### **Adjournment**

Chairman Harris adjourned the meeting at 9:27.