

**Minutes of Buncombe County Audit Committee Special Meeting**  
**March 08, 2023, continued March 09, 2023**  
**1:00 PM**  
**200 College Street, Room 310, Asheville, NC 28801**

**Members Present:** Chairperson Kendra Ferguson, Commissioner Al Whitesides

**Members Absent:** Patrick Fitzsimmons, Commissioner Terri Wells, Danny Yelton, Dr. Glenda Weinert, and Bill Christy

**County Staff Present:** Candace Searcy (Internal Auditor), Paige Anderson (Internal Auditor/Audit Committee Secretary), Glenn Murray (Accounting and Reporting Manager), Terri Orange (Special Finance Projects Manager) and Mason Scott (Interim Finance Director); Dan Keister (Internal Audit Director) via Zoom

**Others Present:** **Mauldin & Jenkins** - via Zoom: Doug Moses, Tim Lyons, LeAnn Bagasala  
**Forvis** – In person: Amy Bibby, Greg Miller, Stacy Moultrie; via Zoom: John Frank, Amy Shreck, Rosena Startzman  
**TPSA** – via Zoom: Alan Thompson,  
**CLA** – via Zoom: Christopher Kessler, Gabby Miller, Alexandra Mitchell

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The Audit Committee Chairperson, Kendra Ferguson, called the meeting to order at 1:01 PM, March 8<sup>th</sup>, 2023.

**External Auditor Interview– Mauldin & Jenkins**

Strengths:

- Expertise with Single Audits
- Experience with Large Governments across the Southeast
- Familiarity with workday

**Questions and Responses:**

**[Chairperson Kendra Ferguson]** – How would you communicate with the Audit Committee throughout the performance of the audit?

**[Tim Lyons]** – We are open to any form of communication.

**[Chairperson Kendra Ferguson]** – What would be your process for managing any disagreements that might arise with management throughout the course of the audit?

**[Tim Lyons]** – We meet with management and get everyone’s perspective, use our network of folks on the expert panel, audit quality center and GASB technical inquiry to explore all the alternatives.

**[Chairperson Kendra Ferguson]** – Can you discuss the extent to which you expected to preform onsite vs remote fieldwork and experience with where the engagement team will be coming from?

**[LeAnn Bagasala]** – We are onsite as needed and have staff readily available from surrounding offices such as Raleigh and South Carolina.

**[Chairperson Kendra Ferguson]** – What circumstances could potentially result in additional billing for the engagement that would be outside of your proposal?

**[Tim Lyons]** – Any sort of scope change, either brought on by the need for additional programs to audited as part of the single audit, signification change in scope, any sort of delay.

**[Mason Scott]** – Can you talk about your current known or anticipated workload on the team that will be assigned to our audit? How do you make sure we are a priority that responsiveness is there at a level we would all like? What is the level of resourcing from the staff side?

**[Tim Lyons]** – We use a cloud-based solution called Suralink to share information between us and the client. It allows us to put deadlines in place when we need things to be available to us. We base those deadlines based on the planning meetings. We will have folks assigned to your audit throughout the whole process.

**[Chairperson Kendra Ferguson]** – Regarding the Suralink process you explained when you say accepted does that mean field auditor review level, to that level of detail?

**[Tim Lyons]** - It is not reviewed to that level of detail when it has been accepted. An accepted document means the workpaper is in good standing, there could possibly be follow up questions but there should be no further supply of additional records.

**[Mason Scott]** - What is your process management approach to keeping things together?

**[Tim Lyons]** – It is focused on the kickoff meeting and Suralink becomes the tool to manage that.

**[Chairperson Kendra Ferguson]** – How have you handled the delays from the federal government in terms of being able to complete the audit?

**[Tim Lyons]** – Our general approach is issue everything together, but we also could separate the issuance of the financial statement and the single audit reports.

**[Mason Scott]** – What is your familiarity with Workday ERP and preference or concerns about having direct controlled access?

**[LeAnn Bagasala]** – We do have familiarity with workday. We would put our IT people in touch with yours and make sure we have safe direct access.

**[Dan Keister]** – What are your thoughts on how you differentiate from a fee perspective?

**[Tim Lyons]** – Overall our fee at its core level is based on our experience we have on performing county audits in North Carolina, cloud software, risk-based approach to audit work. We are investors with AICPA for the dynamic audit solution to help reduce time and efforts in sourcing documents.

**[Dan Keister]** – What is your general approach to the relationship with the Internal Audit department?

**[LeAnn Bagasala]** – We have an ongoing collaboration with the Internal Audit department.

### **External Auditor Interview– Forvis**

Strengths003A

- Expertise with Single Audit
- Experience with government audits

Questions and Responses:

**[Chairperson Kendra Ferguson]** – What would be your process for managing any disagreements that might arise with management throughout the course of the audit?

**[Greg Miller]** – We would make sure we all agree on the facts and use the resources we have in order to find the best outcome.

**[Chairperson Kendra Ferguson]** – How would you communicate with the Audit Committee throughout the performance of the audit?

**[Greg Miller]** – We would like to have upfront communication and communication throughout depending on how much you want to be involved.

**[Chairperson Kendra Ferguson]** – Can you discuss the extent to which you expected to perform onsite vs remote fieldwork and experience with where the engagement team will be coming from?

**[Greg Miller]** – We are onsite as needed to build the relationships with the clients, GASB updates, bond refunding, non-recurring type transactions, and remote for the normal audit work.

**[Mason Scott]** – What kind of resources would you expect for onsite and remote? Are you comfortable getting into workday our ERP system? What sort of space would you expect to need, number of access, etc.?

**[Greg Miller]** – We do not prefer to run reports out of your ERP system, our main concern is completeness and accuracy as you guys are the experts with the system. We would ask for assistance and login to workday and use that access to view the supporting documentation and review the workflows.

**[Chairperson Kendra Ferguson]** – Are you currently serving any other North Carolina counties?

**[Greg Miller]** – We do not currently have any existing county clients. We have experience with counties.

**[Chairperson Kendra Ferguson]** – Do you have people on staff with experience with Medicaid testing in the state of North Carolina?

**[Greg Miller]** – We have experience evaluating that state program in other states that have similar requirements as North Carolina.

**[Chairperson Kendra Ferguson]** – What circumstances could potentially result in additional billing for the engagement that would be outside of your proposal?

**[Greg Miller]** – Additional services that are not apart of the external audit process, anything out of scope.

**[Mason Scott]** – Can you talk about your relationship and/or reliance with the Internal Audit function?

**[Greg Miller]** – We would review their work program is, what was completed and what was not and why. Also, what their views are on risk.

**[Greg Miller]** – What are your views on obtaining the strategic plan?

**[Commissioner Al Whitesides]** – We are sticking with it and knew it was a challenge when we put it in place. We think we have the checks and balances in place to keep us on track.

#### **External Auditor Interview– TPSA**

Strengths:

- Twenty-seven current county clients in North Carolina
- Experience on compliance with Medicaid

Questions and Responses:

**[Chairperson Kendra Ferguson]** – What would your process look like with the transition from the predecessor auditor?

**[Alan Thompson]** - We would meet with and review predecessor auditor workpapers and ask any necessary questions.

**[Chairperson Kendra Ferguson]** – What would be the process for communicating with the Audit Committee throughout the course of the audit?

**[Alan Thompson]** - We would have an initial meeting with the audit committee to provide our plan and timeline as well as communicating with audit committee throughout the course of the audit.

**[Chairperson Kendra Ferguson]** - What would be your process for handling any disagreements that might arise with management throughout the course of the audit?

**[Alan Thompson]** – If we were unable to agree we would try to bring in the state or IIA to help resolve the disagreements.

**[Chairperson Kendra Ferguson]** – Can you discuss the extent to which you expected to perform onsite vs remote fieldwork?

**[Alan Thompson]** - We would do as much remote as we can, but the first year we would be onsite a lot to do walkthroughs, compliance testing, etc..

**[Chairperson Kendra Ferguson]** – Do you have any clients that use ERP system Workday?

**[Alan Thompson]** - I don't think so.

**[Chairperson Kendra Ferguson]** – What circumstances could potentially result in additional billing for the engagement that would be outside of your proposal?

**[Alan Thompson]** – Its rare we do any additional billing, it would have to be a very unusual circumstance.

**[Mason Scott]** – How do you engage with staff? What is the way you expect to talk to us, types, methods, schedules? What is the way we would share papers?

**[Alan Thompson]** – We would request a list of contacts on who we would reach out to for specific items. We would be open to however would work best for you all.

**[Mason Scott]** – What is your anticipated workload for the team that would be assigned to this audit, availability, and responsive timeline?

**[Alan Thompson]** – We are very responsive. Regarding timeline, we would begin testing in early June, as soon as year-end is closed, we would like to come in end of July and beginning of August to get that testing done as quick as possible.

**[Mason Scott]** - Can you talk about your relationship and/or reliance with the Internal Audit function?

**[Alan Thompson]** – We would like to communicate and review any workpapers they have, any concerns or findings they have found, etc.

**[Mason Scott]** – What is the difference between your first-year engagement vs future years?

**[Alan Thompson]** – Working with the predecessor auditor, testing beginning balances, walkthroughs are a bit heavier, debt issuances.

**[Chairperson Kendra Ferguson]** – What technology and/or specific tools do you all use to make sure you are being as efficient as possible throughout the course of the audit?

**[Brandy Tuberville]** - We use a software called organizer for our communications back and forth and as our resource for gathering data from you.

**[Alan Thompson]** - Who traditionally writes up the financial statements at the county level?

**[Glenn Murray]** – It would be the accounting and financial reporting manager and the assistant finance director.

**[Chairperson Kendra Ferguson]** - How have you handled the delays from the federal government in terms of being able to complete the audit?

**[Alan Thompson]** – We would find as much guidance as we could on those programs to test that the funds were used in accordance with the guidance.

**[Chairperson Kendra Ferguson]** – How would you handle that compression of work if there are further delays?

**[Alan Thompson]** – We focus on getting everything complete that doesn't affect the compliance testing and focus on that once it is available.

## **External Auditor Interview– CLA**

### Strengths:

- Entire team dedicated 100% to governmental accounting including the IT professional.
- Expertise with Single Audits
- Has served Buncombe County over the last 5 years.
- Their institutional knowledge of the County's ERP system Workday

### Questions and Responses:

**[Chairperson Kendra Ferguson]** – What are your opinions on partner or manager rotation?

**[Christopher Kessler]** – We are open to rotating the team members.

**[Mason Scott]** – Are there any concerns, nuisances, or changes in the current status of the County or changes in structure that you all would want to speak to in front of the representatives of the Audit Committee as far as special focus or consideration from where you're sitting now?

**[Christopher Kessler]** – We must assess risk from a higher level due to staff changes and their roles and make sure things are going well from a control perspective.

**[Christopher Kessler]** – What are the next steps in the process and when should we expect to hear something?

**[Chairperson Kendra Ferguson]** – Our next Audit Committee meeting is March 21<sup>st</sup> and expect to have staff recommendation to review, we will make a recommendation to the board the first week of April.

Chairperson Kendra Ferguson requested the Finance team to call two references for each firm and provide a recommendation to the Audit Committee of their selection at the next meeting March 21<sup>st</sup>, 2023. Audit committee recommendation will be submitted to the Board of Commissioners on March 21<sup>st</sup> with an approval scheduled at the April 4<sup>th</sup> meeting.

### **Public Comment**

There were no members of the public who commented at the special meeting March 8<sup>th</sup> continued March 9<sup>th</sup>.

### **Adjournment**

Chairperson Kendra Ferguson adjourned the special meeting at 2:33 PM, March 9<sup>th</sup>, 2023.