

Minutes of Buncombe County Audit Committee
June 4, 2024
9:00 AM
200 College Street, Room 310, Asheville, NC 28801

Members Present: Chairperson Bill Christy, Commissioner Al Whitesides, Commissioner Terri Wells, Martha Ziegler, Michael Figuera

Members Absent: Patrick Fitzsimmons, Dr. Glenda Weinert

County Staff Present: Matthew Baker (Interim Internal Audit Director), Lindsay Smith (Internal Auditor), Kelly Houston (Risk Manager), Glenn Murray (Accounting and Reporting Manager), Mason Scott (Assistant Finance Director), Amy Broughton (Senior Attorney), Angelica Tyler (Information and Communication Specialist)

Others Present:

The Audit Committee Chairperson, Bill Christy, called the meeting to order at 9:00 AM.

Prior Meeting Minutes – Review and Approval

The draft meeting minutes from March 19, 2024, were presented and discussed.

*Commissioner Terri Wells moved to approve the draft minutes from the March 19, 2024 meeting.
Commissioner Al Whitesides seconded the motion. The motion passed unanimously.*

2024 External Audit Update

Mason Scott (Finance Department) provided an update on the FY24 external financial audit. Mr. Scott reported that the audit schedule would be similar to last year, with all fieldwork done remotely. The projected end date is 11/30/2024. Mr. Scott also updated the committee on the upcoming Federal Transportation audit. He stated that once the county's financial audit is completed, work will begin on the transportation audit. Expected completion date will be 12/31/2024. The deadline to have the completed audit to the Federal Transportation Authority is 3/31/2025, so there is a large buffer in place. Audit committee chairperson Bill Christy confirmed that the transportation audit was to take place every 10 years.

Mr. Scott also updated the committee on GASB statement implementation. He explained that GASB100 relates to new disclosure requirements for account changes and error corrections. Mr. Scott also stated that GASB100 implementation is required this year, but was proactively implemented by the county on last years financial statements. He also mentioned that some of the major activities that auditors will look at this year is new debt. In March an existing taxable debt series was converted to tax exempt. The first series under the general obligation bond fund was issued for \$14.7 million for affordable housing. A limited obligation bond series for county school projects purchases was issued as well.

Audit committee members asked how much interaction the committee has with the external auditors. Mr. Scott explained that it is generally at the committee's discretion, but in the past finance staff manages that relationship. He also added that the committee interviewed, vetted, and approved the state contract for the

current auditor. Mr. Scott stated that no interaction between the committee and external auditor was scheduled but could be arranged at the request of the committee. Audit committee members requested information on progress updates and whether an audit presentation would be presented to them. Mr. Scott outlined options to provide committee updates and referred to Glenn Murray to provide details on expected audit milestones. Mr. Murray stated that work will really ramp up after June 30th, and given the 90 day accrual period, most auditor requested information will not be due until late August. Mr. Murray let the committee know that a meaningful update could be provided at that time.

Audit committee members asked what role the internal audit department would play in the coordination of the financial audit. It was stated that the internal audit department will not participate in the audit work itself, but would be interviewed and provide support as requested.

Internal Audit Update

Matthew Baker (Interim Internal Audit Director) provided a status update on all items that were presented at the March 19, 2024 meeting.

Mr. Baker introduced Lindsay Smith as Internal Auditor and outlined her tentative portfolio. He also outlined the onboarding process and updated the committee that the second Internal Auditor position was in the interview stage.

Mr. Baker updated the Committee on the progress of the annual risk assessment, providing a timeline for completion. He noted that the FY2025 Audit Plan would be presented at the October meeting and likely include two (2) audits for the fiscal year. Mr. Baker reiterated that three (3) audits were normally done, but due to the onboarding of staff and delay in risk assessment, there would likely only be two (2) performed.

Mr. Baker provided an update on the Employee Ethics Report Line (EERL) and Let's Talk. There are five (5) cases outstanding that are being worked on by Internal Audit. One will be closed by the end of the week as it was referred to employee relations, the other four are in the research phase. Three of those four cases are related.

Audit committee members asked if any of the reports had been substantiated, Mr. Baker replied that none were substantiated. They also requested information about the two possible FY2025 audits and whether or not there was a master plan or five year plan. Committee members asked for an update on whether a cash management policy was forthcoming due to the results of the finalized Cash Management Audit. Mason Scott replied that there should be a policy in place around the end of FY24 and that the finance department would assist departments with preparing their specific policies and procedures.

Members of the Audit Committee also requested information on the orientation and onboarding process.

Revocation of Committee Secretarial Duties

The Committee will be revoking the secretarial duties that have been assigned to Kelly Houston (Risk Manager). They will be assigning Lindsay Smith to carry out those duties.

Commissioner Terri Wells made a motion to revoke Kelly Houston's secretarial duties and assign them to Lindsay Smith. Commissioner Al Whitesides seconded the motion. The motion passed unanimously.

Add Agenda Item – Internal Audit Director Recommendation

Al Whitesides made a motion to add the Internal Audit Director appointment to the Audit Committee meeting agenda. Michael Figuera seconded the motion. The motion passed unanimously.

Internal Audit Director Appointment

The Audit Committee began by thanking Matthew Baker (Interim Internal Audit Director) for serving in the Interim Internal Audit Director role.

Audit Committee members stated that interviews for the Internal Audit Director position were complete and recommended that Robb Hartman be appointed to the position.

Michael Figuera made a motion to appoint Robb Hartman to the position of Internal Audit Director. Martha Ziegler seconded the motion. The motion passed unanimously.

Public Comment

There were no members of the public who commented at the January 16, 2024, meeting.

Meeting Schedule Reminder for Calendar Year 2023

June 4, 2024

October 1, 2024

December 3, 2024

Adjournment

The March 19, 2024, Audit Committee meeting was adjourned at 9:42 A.M.