

**MINUTES OF THE COMMITTEE OF THE GUILFORD COUNTY
BOARD COMMISSIONERS
(AUDIT COMMITTEE)**

**Greensboro, North Carolina
November 21, 2019**

The Audit Committee, appointed by the Guilford County Board of County Commissioners, met in a duly noticed meeting on November 21, 2019 at 2:00PM in the J. Harry Weatherly Conference Room, located on the second floor of 301 W. Market Street, Greensboro NC.

Present: Committee Chair, Commissioner Kay Cashion, and Committee Members
Commissioner Alan Branson and Commissioner Jeff Phillips

Absent: None

Also Present: County Manager Marty Lawing; County Attorney Mark Payne; Deputy County Manager Clarence Grier; Clerk to Board Robin Keller; Internal Audit Director Chad Muhlestein; Finance Director Harley Will; Jordan Smith, Financial Reporting and Planning Manager; Eddie Burke, CPA, Cherry Bekaert (in at 3:25PM); April Adams; Audit Partner (via simultaneous communication); Brittain Knowles, Audit Senior Accountant (via simultaneous communication)

I. WELCOME AND CALL TO ORDER

Commissioner Cashion welcomed those present and called the meeting to order at 2:12PM.

II. HOLD CLOSED SESSION PURSUANT TO NCGS 143-318.11 TO CONSULT WITH THE COUNTY ATTORNEY AND TO DISCUSS A PERSONNEL MATTER

Motion made by Commissioner Alan Branson, and seconded by Commissioner Jeff Phillips, to enter into closed session pursuant to NCGS 143-318.11 to consult with the County Attorney and discuss a personnel matter.

VOTE: Motion carried 3-0

AYES: Kay Cashion, Alan Branson, Jeff Phillips

NOES: None

The committee recessed into closed session at 2:15PM.

The committee reconvened from closed session at 3:05PM.

III. OTHER BUSINESS

County Manager Marty Lawing provided an update on the Mental Health Behavioral Crisis Center construction contract and discussed adjustments.

Commissioner Phillips questioned the total amount allocated towards contingencies.

Lawing discussed those figures.

IV. OVERVIEW FROM EXTERNAL AUDITOR

County Attorney Mark Payne left the meeting at 3:18PM.

Eddie Burke, CPA with Cherry Bekaert, arrived to the meeting at 3:25PM.

Mr. Burke introduced the Client Services Team and reviewed the four (4) opinions that would be issued. He noted the county would receive an unmodified, or “clean”, opinion on all four (4) reports and confirmed the county is in compliance with all NC General Statutes. Mr. Burke stated the county has made great improvements with administering the Medicaid program.

Mr. Burke reviewed the Child Care cluster finding of “nonmaterial non-compliance” and noted this finding was attributed to one (1) case file in the audit sample with one missing document, which was deemed an oversight. He reviewed one (1) significant deficiency and nonmaterial non-compliance finding regarding one (1) file in the sample pool with a miscalculation of eligibility.

Mr. Burke reviewed the remainder of the four (4) non-material findings. He discussed the internal controls review and noted the recommendation for ongoing cyber security training, including an email link, tests for employees and continued training.

Mr. Burke shared the processes reviewed for major federal programs such as Medical Assistance, Subsidized Child Care, Low Income Home Energy Assistance and Temporary Assistance for Needy Families (TANF) as well as major state programs such as Department of Social Services (DSS) Crosscutting, Public School Building Capital Fund - NC Education Lottery, Smart Start and Juvenile Crime Prevention.

Mr. Burke reviewed the county’s General Fund revenues and noted the increase in expenses this year primarily result from the allocation of additional funding to the schools. He provided financial results for Long-Term Debt and the County’s Capital Assets.

Mr. Burke reiterated all four (4) reports were clean entries with a good overall control environment. He shared the County is positioned to have all information submitted by November 30, 2019 and recognized Chad Muhlestein and the county's Internal Audit team, in addition to, Harley Will and Jordan Smith.

Commissioner Cashion asked if there were any red flags in the overall Audit. Mr. Burke responded that there were none. She noted that it appeared that DSS was headed in the right direction; Burk agreed.

Mr. Burke stated it is unrealistic to never expect DSS-related findings due to the significant volume and complex nature of the work.

Commissioner Phillips questioned the issue of cyber security and spoke to the requirement for every employee to complete an annual training video and questionnaire exam to ensure they understood this concept.

Lawing questioned the unassigned fund balance review and stated it was reduced by approximately \$4.6 million to increase the schools' allocation.

There being no further business the Committee adjourned the meeting by unanimous consent at 4:07PM.

Commissioner Kay Cashion, Committee Chair

Robin Keller, Clerk to Board