Finance Department

Mason V. Scott
Assistant Finance Director

MEMORANDUM

To: Buncombe County Audit Committee
From: Mason Scott, Assistant Finance Director
CC: Avril Pinder, County Manager
Melissa Moore, Finance Director
Glenn Murray, Accounting and Reporting Manager
Date: January 14, 2025

Subject: Fiscal year 2024 audit and Annual Comprehensive Financial Report (ACFR)

Buncombe County Audit Committee members,

I am pleased to share that we anticipate formal announcement of an unmodified ("clean") audit opinion for the fiscal year 2024 audit at the January 21 meetings of the Buncombe County Audit Committee and Board of County Commissioners.

In advance of next week's meetings, I am sharing draft materials and key information for your consideration. County and external audit staff will be available to answer questions at the meeting on January 21.

I look forward to meeting with you and closing this year's audit.

Thank you,
Mason

Audit contract amendment

We ask you to consider a contract amendment for the fiscal year 2024 audit. The proposed amendment increases the contract amount and reflects the final audit timeline.

During the audit process, Mauldin & Jenkins identified additional grant programs requiring review based on Federal and State expenditure thresholds. Audit of the additional programs expanded contract scope and cost by $23,000, for a final contract amount of $215,000. Audit review is being completed in mid-January 2025 due to interruptions of business caused by Hurricane Helene. The contract amendment requests extension through January 31, 2025, to allow for final administrative processes needed to close the audit.

Findings

The fiscal year 2024 auditors' report includes three (3) findings.

The County audit report includes one finding of a material weakness in internal controls over financial reporting. Prior period accounting adjustments were necessary to recognize revenue and receivables related to the Opioid Settlement Fund, as well as implementation of two contracts that include both leases and subscription-based information technology arrangements (SBITAs).

There is no disagreement with this finding from County staff.

P.O. Box 7526 – Asheville, NC 28802
p. (828) 250-4812 f. (828) 250-6081
mason.scott@buncombecounty.org

The facts underlying this finding were based on best-available information and expert guidance at the time of a prior audit. Moving forward, County staff will carefully review the financial statements and applicable reporting requirements under generally accepted accounting principles (GAAP), and proactively communicate with regulators and auditors regarding special reporting situations.

The single audit report includes one finding of a significant deficiency related to management of allowable program costs and activities. Auditors identified one instance where time entered in the County's timecard system did not time records submitted to the State for the same worker.

The single audit report also includes one finding of a material weakness in secondary review of program participant eligibility. Auditors identified that secondary, quality assurance reviews of certain program applications were below the thresholds established by the State.

There is no disagreement with either single audit finding from County staff. In response, County staff are developing additional training to ensure knowledgeable staff and review capacity, as well as enhancing transaction and application sampling and review procedures.

Attachments:

- Fiscal year 2024 contract amendment
- Fiscal year 2024 corrective action plan – DRAFT
- Auditor's presentation – DRAFT
- Fiscal year 2024 Annual Comprehensive Financial Report (ACFR) – DRAFT