DRAFT MINUTES
Buncombe County Audit Committee
Regular meeting
October 7, 2025

Members Present: Committee Chair Bill Christy , Commissioner Al Whitesides, Michael Figuera, Dr. Glenda Weinert, Martha Ziegler, Patrick Fitzsimmons

Members Absent: Commissioner Amanda Edwards

County Staff Present: Avril Pinder (County Manager), Glenn Murray (Accounting and Reporting Manager), Mason Scott (Assistant Finance Director), Angelica Tyler (Information and Communication Specialist), Kelly Houston (Risk Manager), Candace Searcy (Risk Analyst)

Others Present: none

Call to Order
Committee Chair Bill Christy called the meeting to order at 9:03 AM.

Approval of Prior Meeting Minutes
The draft meeting minutes from September 18, 2025 were presented. There was no discussion or questions. Commissioners Whitesides made the motion to approve the draft minutes from the September 18, 2025 special meeting. Committee member Figuera seconded the motion. The motion passed unanimously.

Internal Audit Function discussion
County Manager Pinder presented an update regarding the Internal Audit Department and function. Given the current and continuing vacancy of all positions within the Internal Audit Department, Ms. Pinder recommended the outsourcing of the internal audit function. Ms. Pinder indicated that if her recommendation was accepted by the Audit Committee, County staff would move forward with a Request for Proposals (RFP) for internal audit services as quickly as possible. There was extensive discussion between the Audit Committee and County staff regarding the benefits, challenges, and administrative structure related to an outsourced internal audit function. There was also discussion regarding the anticipated duration of an outsourced contract and a long-term vision for the internal audit function. Mr. Figuera also used the opportunity to ask Ms. Pinder if she could confirm whether County management had in a place a comprehensive framework of internal controls. Ms. Pinder responded the County does have this framework in place, as evidenced by previous external and internal audits.

Mr. Figuera made the motion to accept County Manager Pinder's recommendation to let an RFP to outsource internal audit services. Committee member Fitzsimmons seconded the motion. The motion passed unanimously.

Following the vote, there was additional discussion regarding the structure of the RFP. Ms. Pinder recommended the County request proposals for a full scope of internal audit services. She also indicated County management and the Risk division believe the County should transition from the COSO framework to the "Green Book" framework of internal controls, as the former was better

structured for private sector businesses and the latter better structured for governmental entities. Kelly Houston, the County's Risk Manager, reminded the group that Federal regulations require adoption of an internal control framework. Ms. Houston also clarified that internal audit maintains independence by auditing controls which have been implemented by management. There was further discussion regarding implementation of an outsourced internal audit function, potential changes to the County's internal control framework, and next steps for the internal audit services RFP.

2025 External Audit Update (see slides pg. 5-8)
Mason Scott, Buncombe County Assistant Finance Director, provided an update on the status of the fiscal year 2025 external audit. Mr. Scott indicated the Single Audit was significantly complete. He stated that all compliance testing that could be done for the seven selected grant programs had been completed. He indicated formal completion of the Single Audit was being held up by availability of the final version of the Federal OMB Compliance Supplement which was further impacted by the federal government shutdown. He stated single audit findings had been identified related to timesheet discrepancies in two programs. Mr. Scott then provided an overview of the status of the external financial audit which was still on track for completion by the original goal date of November 30. He indicated one finding had been identified which required the restatement of the County's beginning net position due to the change in reported value of certain capital assets. There was some discussion regarding the accounting correction and reporting implications related to this finding.

Policy Update (see slides pg. 9-12)
Mr. Scott next provided a policy update. He first discussed the status of the Cash and Payments Handling Policy which was formally adopted by the County in August. He then provided an overview of the County's complete policy portfolio.

There was further discussion amongst the Committee and staff regarding the current status of internal audit functions such as management of the hotline and administrative support structure for the future outsourced internal audit function. There was also discussion regarding the County's policy management processes.

P-card Audit Update (see slides pg. 13-17)
Mr. Scott next provided an update on various projects related to the recently completed P-Card audit and overlapping special project. He indicated that several recommended actions had been completed and the remainder were on schedule to be completed by the end of the calendar year.

Committee Member Status
Committee Chair Christy informed the Committee that Committee Member Fitzsimmons was not planning to run for re-election as mayor of Weaverville, so would no longer be eligible to serve on the Audit Committee beginning next calendar year. Mr. Christy requested the Committee consider who could fill the Committee's role of being a member of a governing body other than County Commission.

Public Comment
There were no members of the public present to comment.

Open Discussion
There was discussion amongst the Committee and County staff regarding administrative support for the Committee as the support is usually provided by the Internal Audit Department.

Adjournment
Mr. Figuera made the motion to adjourn the meeting. Ms. Ziegler seconded the motion. The motion passed unanimously, and the meeting adjourned at 10:04 AM.