

The Regular Meeting of the Accomack County Audit Committee held the 15<sup>h</sup> of June, 2023, in the Accomack County Administrator's conference room at the County Administration Building, Room 203 located at 23296 Courthouse Avenue, Accomac, VA 23301 at 5:00 p.m.

### **Agenda Item 1 - Opening of Meeting**

#### **MEMBERS PRESENT AND ABSENT**

##### **Audit Committee Members Present:**

Steven Belote, CPA, Citizen Representative, Chair  
Dr. Ronnie Holden, ACPS School Board Representative

##### **Audit Committee Member Absent:**

C. Reneta Major, BOS Representative

##### **Others Present:**

Michael T. Mason, CPA, County Administrator  
Dr. Rhonda Hall, Accomack County Public Schools (ACPS) Assistant Superintendent  
Margaret Lindsey, CPA, Accomack County Director of Finance  
Beth Onley, CPA, ACPS Director of Finance  
James Lilliston, Accomack County Treasurer

##### **Others Virtually Present:**

None

The regular meeting of the Accomack County Audit Committee was called to order at 5:00 p.m. by Chairman Belote. A quorum was present.

### **Agenda Item 2 – Adoption of the Agenda**

On a motion by Dr. Holden seconded by Chair Belote, the agenda was adopted.

### **Agenda Item 3 – Meeting Minutes**

#### **3.1 Consider Minutes from May 15, 2023 Meeting**

On a motion made by Dr. Holden and seconded by Chair Belote, the Audit Committee voted to approve the May 15, 2023 regular meeting minutes, as presented.

### **Agenda Item 4- New Business**

**4.1 Receive year end preparation update:** Mrs. Lindsey reported that there are no changes from what was reported at the May meeting related to scheduling with the auditors. First interactions are in July with work on the Schools Activity Fund audit work. Single Audit work and its timing was mentioned in that draft Schedules of Expenditures of Federal Assistance (SEFA) need to be available to Brown Edwards (BE) by August 15 in order to allow them time for planning and sample selections. This was also discussed with the May scheduling roll out. Ms. Onley remarked the Schools continue with ESSR funding from the federal government in FY 23.

**4.2 Receive status report on corrective actions taken to resolve FY 22 material weaknesses and significant deficiencies as well as management letter comments for improvement.**

**4.2.1 County Comments** – Mr. Mason was called on to give an update and he shared the spreadsheet that has been used for tracking work to date in clearing each item. Mr. Mason discussed Schools have added a replacement staff member with Mr. Duane Gladding who began May 1. Mr. Mason remarked from the Corrective Action Committee meeting held previously, this staff member has been primarily tasked with ESSR, GASB96 (using Debtbook), and bank reconciliation work with the Treasurer’s office. Ms. Onley commented in response to Dr. Holden’s query about another position that is being recruited for now. The County has a position in County Finance, a Deputy Director position with responsibilities towards ERP implementation among other tasks. Chair Belote asks if the County Deputy position is new, and Mr. Mason explains it has been an unfilled position in finance that during the FY 24 budget work was elevated to a Deputy position. Ms. Onley asked when the County would be advertising for the Systems Analyst position and Mr. Mason indicated it is currently posted. Mr. Mason remarked regarding Schools being in the process of second reading for update of School Procurement Policy and Ms. Onley indicated that was completed at the Board meeting on June 6, 2023. Mr. Mason indicated the comments related to Special Welfare were resolved in October, 2022. Conflict of Interest comment is ongoing. Two Bank accounts that were singled out as not public accounts have been so listed, at the direction of the Treasurer.

**4.2.2 School Comments – (see above discussion and below)**

**4.2.3 Treasurer Comments** – Mr. Lilliston gave a recap as to which bank reconciliations still have unresolved matters. He remarked on the VIP investment account, Food Services, School Payroll, Library Construction, County Payroll and County AP bank reconciliations. Ms. Onley remarked about Schools payroll bank rec work in that school finance staff has identified issues that are some of the outages and explained that a major item is when an employee is paid incorrectly through direct deposit and returns the funds they shouldn’t have received, school staff take action to not have those monies show towards the employee paid incorrectly on their W-2. This doesn’t resolve the cash outage issue and school staff will work with County finance staff to ensure the GL is properly cleared for these items. Ms. Onley further indicated that when the money is repaid instead of depositing into the payroll bank account it is deposited into the regular Truist bank account. Mr. Lilliston asked also regarding the school transfers of funds that need to be recorded as well. Ms. Onley indicated she or staff had not handled those, with Mrs. Lindsey explaining transfers are same as journal entries. Mrs. Lindsey remarked that schools had been notified of the need to make their transfer work/entries for payroll matters. Ms. Onley indicated the reconciliation matters and how the current software works is a learning curve for all School finance staff. Mr. Mason reminded the process and software is unchanged for many years and suggested clarity be established between School finance and Treasurer’s staff, to which all agreed. Mr. Mason further indicated a possible need for the template to be revised with instructions updated. Ms. Onley requested again the need to have instruction in the void process which will be arranged with County staff in the following week. Mr. Mason asks for County response to the query from May meeting regarding the issue raised on reconciling County capital assets not agreeing to software detail of those assets and the general ledger. Mrs. Lindsey explained after a discussion with staff that an assumption had been made over the years that carrying forward the footnote (6) roll forward of balances was sufficient and staff had not tied out the GL except to the footnote. For FY 2023, this will be rectified. Chair Belote noted his surprise that Brown Edwards allowed that to go as a comment. Mr. Mason remarks that the P’card comment was easily rectified with notification that all P’card items need a second sign-off even

in the case of a constitutional officer. Mr. Mason spoke again to County payroll master audit log being used as part of the payroll review.

Ms. Onley indicated that School's have not started the use of the log or payroll review. Mr. Mason noted that there is a need regarding the comment on the vendor list what exactly is wanted before any process changes are made so that item remains pending. Ms. Onley indicated the School's staff ask is for them to be able to add a vendor without County assistance. Mr. Mason' indicated because the vendor file is shared, that presents some complications. Mr. Mason reviews the accounts payable subsidiary ledger issue for schools and taxable fringe benefits. The fringe issue was solved with calendar 2022 W-2 reporting.

Mr. Mason commented regarding Brown Edwards preparing the ACFR this year.

### **Agenda Item 5- Old Business**

#### **5.1 Receive Update on Actions by the County and ACPS to prepare for implementation of GASB 96 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

Mrs. Lindsey reported the County has finished resolving questions for the consultant and will be meeting in the following week with the vendor (Debtbook) for first work with them on leases (which go first) and then the SBITA work will follow. The Debtbook staff then works through their process up to 90 days for final reports. Ms. Onley indicated she is understanding the 90 days for completion as well. Chair Belote asked how is Debtbook so far, and Mrs. Lindsey indicated so far very little interaction as all the County has done to date is send lease documents to their secure portal.

Ms. Onley indicated Schools are in the information collection process at this time and have given staff a deadline to have documents back to her. They are using the same vendor (Debtbook) to work this matter. Ms. Onley indicated the Schools paid/planned for the tier with up to 150 SBITA's to be included.

#### **5.2 ERP Procurement Update**

Ms. Onley indicated that schools are not favoring the vendor the County does and are preparing a list of questions/concerns that will be submitted to the vendor that is choice at this time. These questions are to be reviewed by the GFOA consultant for wording. Mr. Mason commented on the process going back to the RFP responses (5) then to demos in January (3) then discovery in May with 2 vendors and the County wanted to move forward with one and School's weren't in agreement with the choice. All parties asked our consultant for recommendation as to how to proceed. GFOA (consultant) suggested having the School concerns put in writing with specific questions such as "can the concern be resolved and if so how". Mr. Mason spoke to the type of work the contract requires, which is very detailed. Dr. Holden commented that he hopes the company can accommodate the needs. Chair Belote asked if it would be advantageous for both be on the same systems. Both Ms. Onley and Mr. Mason indicated we have been for many years. Mr. Mason comments that yes, County and Schools can be on two different systems with additional work coming in the Treasurer's office. Dr. Holden indicated he wanted to hear how the responses come back. Mr. Mason reminded that one of the two vendors that was elevated to discovery was not price favorable. He also remarked regarding the time and attendance system that the County uses goes to end of life at 12 31 2025 which necessitates implementation of a replacement. Dr. Holden asked as to timing for responses to the school's concerns and Mrs.

Lindsey indicated she would expect both the consultant and the proposed vendor would respond quickly.

**Agenda Item 6- Other Business** - July and August meeting dates were discussed with July being not needed for certain. Mr. Mason asked if there is a need for summer meetings. Mrs. Lindsey noted that VRS, Sheriff work and Student Activity fund work is set for later July and into early August. Chair Belote indicated the set August meeting date is likely not makeable, but will inform the committee further. There was no further business.

**Agenda Item 7 – Adjournment**

**Meeting was adjourned at 5:33 p.m.**

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