



Accomack County
Audit Committee Minutes
November 9, 2023
5:00 p.m.

Location: Accomack County Administrator's Conference Room

1. Open Meeting

2. Adoption of Agenda Dr. Holden moved that the agenda be adopted and Ms. Major seconded, all signified by saying aye and the agenda was adopted.

3. Meeting Minutes

3.1. Consider Minutes from October 12, 2023 Meeting Dr. Holden moved the October 12, 2023 minutes be approved and Ms. Major seconded. All signified by saying aye and the minutes were approved.

4. New Business

4.1. Review audit update from Brown Edwards, Katie Babb provided memo/email:

Good afternoon,

Since Danielle and I both can't make the meeting tonight, I wanted to send in our audit update for the Audit Committee.

There are still a lot of open items on the Engagement Organizer. Please continue working through those items. Compared to last year, at this point, I would say we are farther behind. Things will continue to fall behind if we don't receive items as our staff become more and more limited on having availability to work on the audit.

There have been no new internal control or compliance findings since our update at the last meeting.

Please reach out if you all have any questions about the items on Engagement Organizer.

Thank you,

Katie Babb, CPA

Manager



Mr. Mason spoke regarding the progress noted above and remaining needs to complete the audit engagement. He further spoke to Brown Edwards resources being assigned to other clients since we were not completely ready with all of the items required. Chair Belote remarked that we are up against the filing deadline of December 15, 2023. Mrs. Lindsey commented that having interim in June as opposed to September (with Ms. Onley

concurring) would be very beneficial. Mr. Mason asked what significant items remaining on the organizer are unfinished. Mrs. Lindsey indicated for the County, significant outstanding items remaining are leases and subscription entries, balancing fixed assets, finishing analytic comments, our payroll clearing fund balances comparison and assigned/restricted fund balances. Mrs. Lindsey also remarked that at this point in the audit, many follow up requests are coming by email and are not updating on the organizer. Chair Belote asked regarding the contents of Debtbook and what it holds in conjunction with the leases and subscriptions and then asked if the County was waiting on anything. Mrs. Lindsey responded that she is still waiting on Schools to finalize their general fund, their school grants fund and their school title grants fund so that the County could finalize its transfer to the schools. Mrs. Lindsey spoke briefly to the items that will be needed related to statement preparation, footnote detail to be provided, transmittal letter, management's discussion and analysis. Mr. Mason spoke regarding Brown Edwards preparing the statements by extracting from their software and also for DebtBook. Mrs. Lindsey indicated this year, the County will need to make lease and subscription entries and for the future, the audit firms may be able to take what's needed directly.

Chairman Belote asked/spoke to Brown Edwards using their software for the statements and Mr. Mason spoke to how the County had prepared in prior years with reports from the system and excel spreadsheets, tables, etc. as appropriate to create the annual financial report. Mr. Mason reviewed that he and the Brown Edward's partner discussed this change of methodology last spring.

Ms. Onley indicated she has journal entries for unearned revenue, responding to Brown Edward's questions on construction on progress and how entries made at this time are being considered and updated.

4.2. Receive audit update from County and Schools – remaining open items see above

4.3. Receive status report on corrective actions taken to resolve FY22 Material Weaknesses and Significant Deficiencies as well as management letter comments for improvement.

4.3.1. County Comments

4.3.2. School Comments

Mr. Mason commented that there are no new items or updates for 4.3.1 or 4.3.2. Mr. Mason did speak regarding the unclaimed property report. Mr. Lilliston reported that the current year report was filed timely. Finance assists in review for including only those items appropriate.

4.3.3. Treasurer Comments – progress update on bank reconciliation matters including as new fiscal year has opened

Mr. Lilliston moved on to speak about bank reconciliations' progress. All of the lesser bank accounts (which excludes the two payroll accounts and accounts payable – all clearing accounts) are up to date and reviewed. Issues with County payroll, school payroll and Accounts Payable remain, and are being worked on.

4.4. Recent change over to payee positive pay and new payables bank account

Mr. Lilliston gave an update regarding that staff are still working on implementing this for payroll bank accounts. Mr. Lilliston explained the schools indicated they have never performed the lead up to be able to submit the payroll file through positive pay, and if not done, will cause schools to not be under this umbrella and for all their items to show as exceptions. Ms. Onley indicated the training call occurred just on the 8th and her staff were on, but she was unable to attend. School staff are reaching to County staff for

further assistance. Mrs. Lindsey indicated the County has never done positive pay either but from the call on the 8th, some of what County payroll staff currently does is similar, thus there may be some information that can be shared. Some access adjustments for staff both schools and County may be needed (in the existing system) to complete this scope of work. Mr. Mason further commented that the issues previously have been on the accounts payable bank account but all bank accounts with any volume are going to be part of the process. Mr. Lilliston indicated the new accounts payable bank account is ready to be used, but there are some formatting issues with how the existing software prepares the file versus how the bank needs to be received. Mrs. Lindsey spoke to changing within the current system from “bank 122” (the existing accounts payable bank mapping) to “bank 123”.

5. Old Business

5.1. ERP Update Mr. Mason indicated the County is still under negotiations largely due to need for certain reports for security measures around the different vendors. Until those reports are in, the County is not moving forward. Ms. Onley indicated the schools did want to correct one previous comment in that they are able to process calendar W-2s for 2024 in the new system, so that staff will only receive one. They are working through other details, with a full go live date of July 1, 2024. Ms. Onley responded to Dr. Holden’s query about running some parallel in the affirmative closer to the go live date.

6. Other business to come before the Committee

Mr. Mason spoke to the change in the December Board of Supervisors meeting date, and Chairman Belote indicated a preference for December 7th. Mr. Mason indicated he would not be available. Certain other dates were discussed, with many conflicts. December 4th was determined, at 5 p.m.

7. Adjournment The meeting was adjourned at 5:35 p.m. moved by Dr. Holden and seconded by Ms. Major.