



**Accomack County**  
**Audit Committee Minutes**  
**April 18, 2024**  
**5:00 p.m.**

**Location: Accomack County Administrator's Conference Room**

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**1. Open Meeting**

**2. Adoption of Agenda** Ms. Major motioned that the agenda be adopted and seconded by Mr. Belote. All signified by saying aye and the agenda was adopted.

**3. Meeting Minutes**

**3.1. Consider Minutes from March 14, 2024 Meeting** Ms. Major moved the March 14, 2024 minutes be approved and Mr. Belote seconded. All signified by saying aye and the minutes were approved.

**4. Old Business**

**4.1. Receive audit update from Brown Edwards, Danielle Nikolaisen** – Ms. Nikolaisen noted that they have made progress and are preparing and reviewing statements for the ACFR. Finance staff has been timely with responding to emails. Beth Onley is working on items requested from Brown Edwards. Ms. Nikolaisen noted that there is no list of items that they are waiting on, so it is on Brown Edwards to complete small items that are arising and complete the testing, which is down to two sections, that they were not able to get to during the original time frame.

**4.2. Update on timetable for issuance of report and next steps** Mr. Belote asked Ms. Nikolaisen for a draft date estimate which she replied that they are reviewing the statements now, then will review footnotes, so it will not be before the end of April because of Brown Edwards staffing. Their plan is to send the ACFR statements to Accomack County management for review first. Ms. Nikolaisen stated the ACFR footnotes will take longer. Mr. Belote stated he was pleased that it is moving forward.

**4.3. ERP status update, County and Schools** Mr. Belote noted that the county is still on hold regarding the ERP status. Beth Onley stated that they are struggling with the ERP. Currently, they are in data conversion. They are being conservative and do not feel that the July 1, 2024 go-live deadline will be met. Ms. Onley stated that they have two different supports, one for implementation, and the other is post implementation support that they are trying to get together to give different options such as advantages and disadvantages, but has not yet received any feedback. Ms. Onley stated that they are in data conversion with payroll, but it is difficult. Ms. Onley estimated that one of their staff members is spending about 95% of their time, and the other about 50% of their time, not including the time of the payroll manager. Their payroll is so large that it is taking more time than anticipated. Ms. Onley stated that they are now entering individuals into the payroll system, which will change July 1, 2024 when new pay rates come in for 12 month employees. Ms. Onley stated that they have a 2–3 hour conference calls to perform this data entry and might get in 41 employees during this time. The Schools have about 1,200 employees in total and have only completed about 169 employees. Ms. Onley noted that it is a lot of data items to enter for each person to get them set up, so payroll is where most of the time is going. Ms. Onley stated that she is worried that not much attention has been paid to Accounts Payable. Mr. Mason added that for obvious reasons, the County is not moving forward with the ERP as a whole but one

part that is moving forward is a new time and attendance application due to a 12/31/25 end-of-life support for the current software. Finance and IT have had meetings with UKG to discuss their software, including options to include time and attendance capabilities for the currently excluded Department of Public Safety and their specialized scheduling rules and benefits that are provided by Virginia Code, such as employees are paid scheduled overtime even if it was not worked. They are also allowed to operate under a lengthened overtime period. Mr. Mason also added that the Virginia Retirement System hybrid rate separation needs to be addressed. Ms. Onley stated that some of her staff is scheduled to take a class on that matter. Mr. Mason reminded Ms. Onley that it is effective July 1, 2024. Mr. Mason stated that all county employees are covered under VRS, which previously was nothing but a defined benefit program. VRS would notify the county with the percentage rate for the year, when we have creditable compensation, remit the funds to them. Then, as employers move to get out of the benefit plan, governments were on the tail end of the movement, they went to a hybrid plan which is a combination defined benefit at a smaller scale combined with a defined contribution plan much like a 401K plan. Mr. Mason stated that now changes are being made on how the employers are going to fund the hybrid contributions. Mr. Mason stated that it is going to impact the schools because it is going to separate Mission Square from VRS and they have to be treated separately, which will increase the retirement cost. Mr. Mason stated that we are leveraging our future work that we do with ERP. We have sections such as time and attendance, and sharing with UKG whatever we can extract with the conversion and pick up things that we would like to do in the future within the resources that we have.

- 4.4. Update on bank account reconciliation issues** Mr. Mason noted that Mr. James Lilliston provided him with an email apologizing for his absence from the meeting. The suggestion made by Mr. Belote and Dr. Johnson previously regarding miscellaneous differences of \$526.00 in October for accounts payable bank 122, the Treasurer's department reached out to Finance for assistance to move on and is happy to report that the account is now reconciled through February. Mr. Lilliston thanked the committee for their suggestion and all main bank accounts are reconciled through February with the exception of the school board's bank 109, that has a miscellaneous difference of \$783.00. They have reached out to the schools for assistance. Mrs. Amy Ford noted that of the \$783.00, \$720.00 has been found, recorded and shared the journal entry with all interested parties. Mrs. Ford stated that she has talked with Finance staff that as soon as bank reconciling items are received, any questions should be addressed so that Finance is able to record the needed adjustments.

## 5. New Business

- 5.1. Adopted Board of Supervisors FY25 Appropriations Resolution Provision:**  
***“BE IT FURTHER RESOLVED that the County Administrator is directed to develop policy that imposes reductions in the local funding appropriation of any organization that is included within the scope of the County's Annual Comprehensive Financial Report as a discretely presented component unit and who fails to provide complete and accurate financial statements to the County and its external auditors within 5 months of the end of the organization's fiscal year.”*** Mr. Mason stated that the Boards' Appropriations Resolution has directed him to institute policy to prompt future ACFRs to be issued in a timely manner and the way it is to be obtained through the policy is financial reduction in local appropriations. The reduction to local appropriations would be to any organization who is a component unit in the ACFR who doesn't turn in completed information to the county by November 30, two weeks before the statutory deadline. Dr. Johnson asked if there are any extenuating

circumstances for the deadline not to be met? Mr. Mason replied that there is no policy drafted as of yet, only a directive to create the policy so mitigating circumstances has not been factored in. Dr. Johnson asked if we are so inclined? Mr. Mason stated that he thinks there are some extreme circumstances where we need to take into account such as the loss if someone was to unexpectedly retire. Dr. Johnson asked if the audit committee would get the draft? Mr. Mason replied that he would draft the policy and share with the Board of Supervisors since it is their directive.

**6. Other business to come before the Committee** Mr. Belote stated that he will not be available to attend the next meeting on May 9, 2024 or the backup date on May 16, 2024. He asked for suggestions on different dates. The committee agreed on having the next meeting on Tuesday, May 14, 2024.

## **7. Informational Items**

**7.1. Audit Committee Report to the Board of Supervisors Dated April 17, 2024** Mr. Belote provided copies to the audit committee of the report showing the committee's progress that was given to the Board of Supervisors at their April 17, 2024 meeting.

**8. Adjournment (Next Meeting 5/14/24 5pm)** Ms. Major made the motion to adjourn the meeting and it was seconded by Dr. Johnson.