



AGENDA
POWHATAN COUNTY AUDIT COMMITTEE
REGULAR MEETING
JUNE 19, 2018
10:00 AM CALL TO ORDER

1. Approval of December 13, 2017 minutes
2. Discuss status of the FY 2018 preliminary audit
3. Charter and By-laws review
4. Potential internal audit topics



**POWHATAN COUNTY AUDIT COMMITTEE MEETING
3834 OLD BUCKINGHAM ROAD
DECEMBER 13, 2017**

Members Present: Larry J. Nordvig, District 2 Supervisor
Angela Y. Cabell, District 3 Supervisor
Theodore L. Voorhees, County Administrator
Charla Schubert, Director of Finance
Jim Carver, Citizen at Large
Megan Argenbright, Auditor, Brown Edwards

The Powhatan County Audit Committee held its annual meeting on Wednesday, December 13, 2017, at 10:12 a.m. The purpose of the meeting was to become review the June 30, 2017 Comprehensive Annual Financial Report and the management letter comments.

Ms. Argenbright presented the June 30, 2017 Comprehensive Annual Financial Report (CAFR) to the committee. The County Finance office prepared the CAFR again this fiscal year. She expressed that more of her clients are doing away with writing the report because of the complexities of the new GASB standards. They issued an unmodified opinion on the financial statements, which is a clean opinion. She then explained the layout of the report and what each section is for.

Mr. Voorhees asked about whether it would be a better practice to have the Economic Development Authority (EDA) finances managed by the County. The possibility of making the EDA a separate department or fund. Ms. Argenbright was in agreement that it would be a better to handle it in this manner since their activity will continue to increase. Ms. Cabell would prefer that Mr. Voorhees discuss with the full Board of Supervisors about the setup of the EDA before any changes are made.

Mr. Carver discussed the findings and the reoccurrence of the special welfare comments. He was concerned with other repeat comments that still appear from year to year. Mr. Carver also asked if performance based budgeting would give us information that could help mitigate the segregation of duties comments. There was also discussion on the cost benefits of adding personnel to mitigate the segregation of duties at the Schools as well. Ms. Argenbright did share that there is a plan in place to help when an employee leaves a position to help avoid what occurred in the current fiscal year.

Mr. Voorhees discussed briefly the direction and role the audit committee may want to take. He discussed have the committee be more than just meeting once a year to review the financial statements. There is a possibility of meeting quarterly and expand the roles. The committee agreed to meet the first of the year, review a charter and discuss a plan of action for the upcoming fiscal year.

Adjournment was at 11:40 am.

Approved on

County of Powhatan, VA Audit Committee Charter

Committee Purpose

The Audit Committee has been established as an advisory committee whose primary purpose is to assist the Board of Supervisors in fulfilling its oversight responsibilities for the overall stewardship of the County's financial affairs.

Responsibilities

The Audit Committee will carry out the following responsibilities:

- Review and reassess the adequacy of this Charter at least every two years, with any revision submitted to the Board of Supervisors for approval.
- Provide an avenue of communication among the Board of Supervisors, county management, and the independent auditors.
- Ensure the County's internal control systems are in place and implemented, including information technology security and control.
- Ensure County management implements audit report recommendations.
- Approve the annual audit plan and all major changes to the plan.
- Submit an Annual Report of Audit Committee actions and recommendations to the Board of Supervisors.
- Recommend to the Board of Supervisors the selection of the independent auditors.
- Continually evaluate the independence of the independent auditors.
- Review the County's CAFR, management letter and management's response and forward findings to the Board of Supervisors.

Composition

The audit committee will consist of seven members: two Board of Supervisors, two School Board members, one citizen at large, the County Administrator and the Director of Finance.

Meetings

The audit committee will meet at least four times a year (quarterly), with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary.

Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

Effective date

Draft



**County of
Powhatan
AUDIT COMMITTEE
Powhatan, Virginia**

By-Laws

ARTICLE I

PURPOSE

SECTION 1. The Audit Committee has been established as an advisory committee whose primary purpose is to assist the Board of Supervisors in fulfilling its oversight responsibilities for the overall stewardship of the County's financial affairs.

The responsibilities of the Audit Committee shall be:

- a) Review and reassess the adequacy of this Charter at least every two years, with any revision submitted to the Board of Supervisors for approval.
- b) Provide an avenue of communication among the Board of Supervisors, county management, and the independent auditors.
- c) Ensure the County's internal control systems are in place and implemented, including information technology security and control.
- d) Ensure County management implements audit report recommendations.
- e) Approve the annual audit plan and all major changes to the plan.
- f) Submit an Annual Report of Audit Committee actions and recommendations to the Board of Supervisors.
- g) Recommend to the Board of Supervisors the selection of the independent auditors.
- h) Continually evaluate the independence of the independent auditors.
- i) Review the County's CAFR, management letter and management's response and forward findings to the Board of Supervisors.

ARTICLE II

MEMBERSHIP

SECTION 1. The Chairman of the Board of Supervisors of the County of Powhatan shall appoint two members of the Board of Supervisors, two School Board members and one citizen at large to be voting members of the Audit Committee. The County Administrator, and Director of Finance shall each be an ex-officio non-voting member of the Audit Committee.

SECTION 2. Members from the community shall be appointed for a term of two years. The terms of the Board of Supervisors and School Board members shall be appointed for a four year term consistent with their terms of election.

ARTICLE III

OFFICERS

SECTION 1. *Enumeration of Offices* The officers of the Committee shall be a Chairperson and Vice-Chairperson.

SECTION 2. *Election of Officers and Term of Office*. The officers shall each be elected at the regularly scheduled meeting held in June, take office immediately upon election, and serve a one year term or until a successor is elected at the subsequent quarterly meeting held in June.

SECTION 3. Vacant terms of officers may be filled through action taken by the Committee. An officer appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

SECTION 4. The Chairperson shall preside at all meetings of the Committee and perform such other duties as may be directed by the Committee.

SECTION 5. The Vice Chairperson shall serve as the Chairperson in the absence of the Chairperson.

SECTION 6. The officers shall serve without compensation for their services.

ARTICLE IV

RESIGNATIONS

SECTION 1. In the event that a member chooses to resign from the Audit Committee, such member should notify the Chairperson, in writing. The Chairperson will then immediately notify the members of the Committee of any such resignations. The resignation shall be effective when the notification is received by the Chairperson unless the notification specifies a later time.

ARTICLE V

QUORUM

SECTION 1. Three members, excluding the County Administrator and Director of Finance, shall constitute a quorum.

ARTICLE VI

MEETINGS

SECTION 1. *Regular Meeting.* A regular meeting of the Committee shall be held quarterly on the fourth Wednesday during the months of March, June, September, and December at a time and place to be designated by the Committee. All meetings will be open to the public, to the extent required by Virginia Law.

SECTION 2. *Special Meetings.* Special meetings may be called by the Chairperson, or the Vice Chairperson in the absence of the Chairperson, as deemed necessary or desirable. All Special Meetings will be noticed in accordance with Virginia Law.

SECTION 3. The Director of Finance will keep minutes of each meeting and offer them for Committee approval as the first item on the subsequent meeting agenda. The minutes should be distributed to Committee members in draft form within a reasonable time after the meeting and in advance of the subsequent meeting. A copy of the approved minutes will be submitted to the Office of the County Administrator.

SECTION 4. The Chairperson shall approve an agenda in advance of each meeting. The Committee may request any employee of the County or the independent auditors to attend a meeting of the Committee.

List of Audit Committee Internal Audit Ideas:

Fire and Rescue:

3. Fleet audit of Fire and Rescue Radios
7. Training Expenditures for career and volunteers – use of correct forms, tracking

Library:

5. Petty cash report
6. Scheduling

Public Works:

1. Convenience center revenues – financial
4. Parks and recreation – concessions, travel teams, etc. – operational

Planning:

2. Cash proffers