

CUMBERLAND COUNTY FINANCE COMMITTEE  
COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564  
SEPTEMBER 3, 2015 - 10:30 AM  
MINUTES

MEMBERS PRESENT: Commissioner Marshall Faircloth, Chairman  
Commissioner Jeannette Council  
Commissioner Larry Lancaster

OTHER COMMISSIONERS

PRESENT: Commissioner Glenn Adams  
Commissioner Kenneth Edge

OTHERS:

Amy Cannon, County Manager  
James Lawson, Deputy County Manager  
Melissa Cardinali, Assistant County Manager  
Tracy Jackson, Assistant County Manager  
Rick Moorefield, County Attorney  
Vicki Evans, Finance Director  
Deborah Shaw, Budget Analyst  
Tammy Gillis, Director of Internal Audit and Wellness  
Sally Shutt, Governmental Affairs Officer  
Candice White, Clerk to the Board  
Press

Commissioner Faircloth called the meeting to order.

1. APPROVAL OF MINUTES – AUGUST 6 , 2015 REGULAR MEETING

MOTION: Commissioner Lancaster moved to approve the August 6, 2015 regular meeting minutes.

SECOND: Commissioner Council

VOTE: UNANIMOUS (3-0)

2. CONSIDERATION OF INTERNAL AUDIT PLAN

BACKGROUND:

At the June 15, 2015 Board of Commissioner's meeting, an Audit/Finance Committee Charter was adopted. The Charter requires that an audit plan be submitted to the Audit Committee for approval.

As the County is in the process of hiring a second internal auditor, a plan for the July – December 2015 time period is being submitted at this time. In December, a plan for the remainder of the fiscal year will be submitted for approval.

RECOMMENDATION/PROPOSED ACTION:

Staff recommends approving the July – December 2015 Internal Audit Plan as recorded below.

Cumberland County Internal Audit  
Audit Plan  
July - December 2015

Audit/Project	Department
Physical inventories	Central Maintenance Facility (CMF) Solid Waste garage Employee Pharmacy Health Department Pharmacy Health Department supply room
Inventory accounts	CMF Solid Waste
Bank accounts	Sheriff - Detention Center Social Services
Cash receipts	Sample of depts with petty cash or change funds
Cash counts	All depts with petty cash or change funds
Schedule of Federal & State Expenditures	For FY 2014-15 audit

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Tammy Gillis, Director of Internal Audit and Wellness, reviewed the background information and the internal audit plan as recorded above and stated some of the items on the list have already been started and completed. Ms. Gillis stated the hope is to have a second internal auditor on board in October after which a plan for the remainder of the fiscal will be developed and submitted for approval. Ms. Gillis stated in addition to the above, each fall she audits a schedule of federal and state awards which reconciles the grants that come to the County.

In response to questions, Ms. Cannon stated Ms. Gillis covers several different functional areas and has been doing so for several years. Ms. Cannon stated with Ms. Gillis spending one-half her time on internal audit and adding another full time auditor, the County will make progress in completing some of the audits it has not been able to complete in the last couple of years. Ms. Gillis stated her combined functions require no more of her time than has been required in prior years.

MOTION: Commissioner Council moved to recommend approval of the July–December 2015 Internal Audit Plan as recorded above.

SECOND: Commissioner Lancaster

VOTE: UNANIMOUS (3-0)

### 3. MONTHLY FINANCIAL REPORT

#### BACKGROUND:

The financial report is included as of the 13<sup>th</sup> period of fiscal year 2015. Highlights include:

- Revenues
  - Current real and personal property taxes continue at a trend similar to past years with final collections reflected in the “June” column.
  - Motor vehicle tax revenues continue to appear strong this year. The full year’s collection amount is reflected in this report.
  - Sales tax collections show slight growth compared to last fiscal year. This report reflects eleven months of sales tax collections.
  
- Expenditures
  - Expenditures remain in line with budget and show no unusual patterns.
  
- Crown center expense summary/prepared food and beverage and motel tax
  - A combined year-to-date summary is provided.
  - Prepared food and beverage and motel tax summary included.

#### RECOMMENDATION/PROPOSED ACTION:

No action needed – for information purposes only.

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Ms. Evans reviewed highlights of the financial report as recorded above and stated the County is in the process of closing out fiscal year 2015 so it can begin preparing for audit. Ms. Evans stated real and personal property taxes total \$172,537,000; motor vehicle tax revenues total \$16,347,000; and there will be one more payment reflected in the 2015 figures for total sales tax collections.

Chairman Edge asked whether it was anticipated that the last sales tax payment would bring the County up to where it was in the prior fiscal year. Ms. Evans stated the last payment is anticipated to bring the County up to at least that amount.

### 4. OTHER MATTERS OF BUSINESS

Ms. Evans stated in connection with the audit of the County’s financial statements, Cherry Bekaert LLP has a new procedure in which Board members are required to complete a questionnaire designed to obtain information about fraud and internal controls. Ms. Evans asked that Board members complete the questionnaire and send back to Cherry Bekaert LLP.

Questions followed regarding the status of sales tax legislation. Ms. Cannon stated under the most current scenario, the County would stand to lose. Ms. Cannon stated the problem is that the fiscal research section actually shows the County to have a minor gain because they have used growth of over 5% in the sales tax statewide. Ms. Cannon stated the County’s growth has not been that significant and the County’s loss would be \$.5 to \$1 million. Ms. Cannon stated

her understanding is that it has been sent to a committee of the House and the Senate; what was originally an 80/20 plan is now a 50/50 plan. Ms. Cannon also stated staff sit in on a weekly call with the North Carolina Association of County Commissioners (NCACC) and continue to monitor the issue.

There being no further business, the meeting adjourned at 10:45 a.m.