



**January 26, 2015**  
**Audit Oversight Committee Minutes**  
**Durham County**

**I. Call to order**

The meeting was called to order at 5:03 PM in the Durham County Manager's Conference Room; 200 East Main Street Durham, NC 27701

**II. Members**

Present: Shannon Harrison, Chair; Commissioner Howerton, Vice Chair; Jenna Meints, Member; Michael Page, Member; County Manager Wendell Davis, Member

Others in attendance:

Scott Duda, Cherry Bekaert LLP Representative, Presenter  
George Quick, Chief Financial Officer  
Susan Tezai, Deputy Chief Financial Officer  
Richard Edwards, Internal Audit Director  
Asha Guta, Internal Auditor

**III. Business**

**A. Prior Meeting Minutes**

Mr. Harrison moved the motion to approve the November 5, 2014 AOC meeting minutes. Three members voted to approve the minutes. One member Jenna Meints abstained from voting.

Note: Prior to the vote, Ms. Meints questioned why comments she made during a status report of the Asset Management audit was not included in the minutes. (The referenced audit report was issued on December 10, 2014.) Mr. Edwards, who prepared the minutes, explained that the highlights of the audit findings were included in the minutes and that general comments and discussions are not generally included in the minutes. Mr. Edwards did not further explain that items of discussion regarding an issue that leads to further decision making or registers dissention, etc., are included in minutes. Ms. Meints comments regarding the report findings were comments supporting the findings but did not lead to additional audit work to clarify, revise, or otherwise effect the findings. For that reason, they were not included in the minutes.

**B. Financial Audit presentation by Cherry Bekaert LLP representatives**

Mr. Duda, a representative of the Cherry Bekaert firm made a presentation of the 2014 audit results. The audit looks at three areas. They are (1) the books of the County or the County's financial statements, (2) major county administered programs funded by the Federal government, and (3) county administered programs funded by and through the State.

There was one finding on the Financial Statement audit. It was due to cash being posted in the wrong fiscal year. A payment to the vendor cleared the bank statement prior to year end but was recorded in the general ledger in the new fiscal year. The Finance Department did not catch the transaction in time to make necessary adjustment in the general ledger. However, the County did identify the error, the financial statements were corrected, and additional controls were implemented. This finding was classified as a "material weakness" in accounting and auditing parlance.

The auditors did not identify adverse findings in the review of major Federal government programs.

The audit identified two findings on programs funded by the State. One was a result of an employee making time entries after deadline and after time data had been uploaded for processing. The responsible employee no longer works for the County. The other finding resulted from two employees using incorrect service information codes which resulted in these services not be processed appropriately. Both findings were classified as a "significant deficiency." In lawman's terms these are not major findings at the level the actions took place.

**C. Discussion regarding getting back on a regular meeting schedule**

The Committee has had difficulty identifying an agreeable date for quarterly meetings due to conflicting schedules. The members, tasked with identifying a future date to hold its meeting, were not able to achieve this objective at this meeting. The members agreed to meet on March 10th at 3:30 PM and after having reviewed their availability, settle on a schedule at the March meeting.

**D. Old and New Business**

There was no old and new business addressed at the meeting.

**E. Next Meeting Date: March 10, 2015 @ 3:30 PM**

**IV. Adjournment**

There being no further business, the meeting was adjourned at approximately 5:59PM.