



TOWN OF HOLDEN BEACH
AUDIT COMMITTEE MEETING
THURSDAY, NOVEMBER 8, 2018

The Audit Committee of the Town of Holden Beach, North Carolina met for a meeting on November 8, 2018 at 10:00 am in the upstairs conference room. Present were Audit Chair, Commissioner John Fletcher; Members Ron Skubic, Ben Byrnside; Town Manager David W. Hewett, Clerk Mandy Lockner; Commissioners Pat Kwiatkowski, Joe Butler, and Mike Sullivan. Absent were members Mark Fleischhauer and Tom Myers.

Call to Order

Audit Committee Chair Fletcher called the meeting to order at 10:00 am.

Approval of Minutes

Motion to approve all minutes made by John Fletcher; second by Ben Byrnside. Approved unanimously.

Quarterly Financial Statements

Town Manager Hewett went over the quarterly financials and made a note that they only represented a third of the year. He explained how the revenues flow through the town; how and when the town collects ad valorem taxes. He reviewed that most of the water/sewer revenues get collected in the summer. He also noted that some of the overtime budgets were in the red because of recent hurricane activity. He went over the new special revenue funds and stated that those transfers will not happen until the end of the year. Town Manager Hewett reviewed how the dredging canal budgets were set up and discussed briefly how the town changed investments with Capital Management Trust. Town Manager Hewett went over and provided discussion on expenses of interest for the committee.

Discussion and Possible Action on Revised Audit Committee Charter and Committee Bylaws

Audit Chair Fletcher stated that it would be wise to review and agree on a charter to send to the Board of Commissioners. Member Byrnside discussed the public meeting portion of the bylaws and the concern in which he thought it portrayed that the committee could meet without cause. Chair Fletcher clarified that the committee could not meet without cause only

with intent and for certain reason as designated in the rules. Town Manager Hewett suggested that number eight in the bylaws should be deleted. All agreed to delete bylaw number eight.

The committee went on to discuss the dates in which they would meet throughout the year and how to adopt the yearly meeting schedule. They agreed that at a January meeting the committee would adopt its yearly meeting schedule pending member approval by the Board of Commissioners.

Town Manager Hewett questioned some things that were proposed in the charter. There was concern that the charter stated that the committee was now in charge of the town's treasury management function without approval or discussion with the Finance Officer. That conflicts with the fiscal control act 159. Chair Fletcher stated that it assumes that the committee will work with the Manager. Town Manager Hewett discussed that the charter conveyed it to be an operational committee instead of an advisory one. Members discussed what the committee means and it was agreed that the committee is an advisory one and is there to help the BOC.

Chair Fletcher moved to approve and send to the board; Member Skubic made a second; approved unanimously.

Discussion and Possible Action on Internal Control Review

Chair Fletcher stated that the Internal Review was completed and a final report would come back and go directly to the board. Town Manager Hewett went over how the process worked and that after revision of what the staff submitted, there would be a final report going to the BOC for review.

Adjournment

Member Byrnside made a motion to adjourn; Member Skubic made a second; approved unanimously.