

# RICHLAND COUNTY COUNCIL

## SOUTH CAROLINA

### COUNCIL WORK SESSION

April 5, 2016  
3:00 PM  
4<sup>th</sup> Floor Conference Room

*In accordance with the Freedom of Information Act, a copy of the agenda was sent to radio and TV stations, newspapers, persons requesting notification, and was posted on the bulletin board located in the lobby of the County Administration Building*

#### CALL TO ORDER

Mr. Rush called the meeting to order at approximately 2:12 p.m.

#### REVIEW OF COUNTY'S FY15 CAFR

Mr. Driggers stated the purpose of this work session is a follow-up to the annual audit presentation.

- Elliott Davis has conducted the County' audit for the last 6 years
- Elliott Davis was provided audit information from the prior firm

#### TYPES OF AUDITS:

- Financial (External) Audit
- Forensic Audit
- Internal Audit (Programmatic)

#### FINANCIAL (EXTERNAL AUDIT):

- Conducted by independent auditor to determine:
  1. Accuracy and completeness of records
  2. Compliance with Accounting Standards
  3. That the statements fairly represent Richland County's financial position
- 2015 Richland County External Audit
  1. Elliott Davis
  2. Unmodified Opinion
    - a. All Richland County Funds
    - b. Lower Richland Sewer



#### Council Members Present

Torrey Rush, Chair  
Greg Pearce  
Bill Malinowski

#### Others Present:

Tony McDonald  
Daniel Driggers  
Michelle Orley  
Kevin Bronson

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- c. Lower Richland Water
- d. Federal Awards (Grants)
- e. Transportation Sales Tax

\*\*Staff has discussed doing a separate financial audit and/or a programmatic audit for the Transportation Sales Tax. A draft scope has been created and will be brought to Council.

Once the scope is approved, Elliott Davis should be able to bring a report back with a week to 10 days.

### ■ Forensic Audit

1. An examination of an entity's books for evidence of fraud or financial weakness that could allow someone to defraud
2. Often initiated to settle legal disputes or claims of fraud
3. Forensic Audits used to investigate:
  - a. Insurance Fraud
  - b. Asset Misappropriation
  - c. Embezzlement
  - d. Money Laundering

\*\*Would be like looking for a needle in a haystack unless looking for something specific.

Mr. Driggers stated his office is reviewing data regarding the Elections Department's request for additional funding.

Mr. Pearce inquired if by law they are allowed to end the fiscal year in a deficit.

Mr. Driggers stated it is his understanding that the General Fund cannot end the year in a deficit.

Mr. Driggers stated employees are responsible for filling out their own timesheets and turning them into the timekeeper to submit to Finance.

Mr. Pearce expressed concern over the following challenges in the upcoming fiscal year and the possibility of having to utilize Fund Balance:

- a. Frozen LGF
- b. Reduced revenue from flood damage
- c. Zero growth in the County

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Mr. McNeisch stated Elliott Davis would be able to produce a trend analysis regarding this matter.

Mr. Pearce requested staff to research the costs to do a 10-year trend analysis.

Mr. Driggers stated the County could utilize staff to conduct the 10-year trend analysis.

### ■ Internal Audit

1. Examine and analysis of a company's operating activities, business structure and employee behavior
  - a. Used to: Locate and prevent fraud; Decease likelihood of misreporting information; and Identify opportunities for process improvement
2. Richland County currently does not have an Internal Audit Department
  - a. Historically, these have been conducted by outside consulting firms as needed. (i.e. Transportation Penny Program, Voter Registration Commission)

### **ADJOURNMENT**

The meeting adjourned at approximately 3:00 PM.

The Minutes were transcribed by Michelle M. Onley, Deputy Clerk of Council