



**TOWN OF HOLDEN BEACH
AUDIT COMMITTEE MEETING
HOLDEN BEACH TOWN HALL – PUBLIC ASSEMBLY
WEDNESDAY, FEBRUARY 28, 2024 - 10:00 A.M.**

1. Call to Order
2. Agenda Approval
3. Approval of Minutes
4. Public Comment
5. Election of Chair and Vice-Chair
6. Review of the Audit Committee Ordinance
7. Discussion and Possible Action Regarding the Fiscal Year 2023/2024 Audit
8. Determination of Meeting Schedule
9. Adjournment



**TOWN OF HOLDEN BEACH
AUDIT COMMITTEE
MONDAY, OCTOBER 30, 2023 – 2:00 P.M.**

The Audit Committee of the Town of Holden Beach, North Carolina met for a meeting on Monday, October 30, 2023 at 2:00 p.m. Present were Vice-Chair Jeannine Richman; Regular Member Mark Fleischhauer; Alternate Member Mike Felmly; Town Manager David W. Hewett; Town Clerk Heather Finnell; and Finance Officer Daniel McRainey. Regular Member Tony Chavonne was unable to attend the meeting. Regular Member Jeff Tansill resigned from the committee.

Vice-Chair Richman called the meeting to order.

AGENDA APPROVAL

Motion by Member Fleischhauer to approve the agenda; second by Alternate Member Felmly; approved by unanimous vote.

APPROVAL OF MINUTES

Motion by Alternate Member Felmly to approve the minutes of the July 26th meeting; second by Member Fleischhauer; approved by unanimous vote.

PUBLIC COMMENT

No comments were made.

DISCUSSION OF FISCAL YEAR 2022 – 2023 EXTERNAL AUDIT REPORT WITH REPRESENTATIVE OF EXTERNAL AUDIT FIRM

Elsa Swenson reviewed the audit results and answered questions from the committee. The Town received an unmodified opinion, this is a clean opinion. The report was submitted to the LGC timely and we have LGC approval. She explained the timeline and provided details on the different funds. Ms. Swenson went over performance indicators. She explained a letter must be provided to the LGC within 60 days of the audit presentation for the water and sewer operating net income.

The committee, staff and Elsa further discussed the details of the audit. The committee discussed what information to provide in the message to the Board. Ms. Swenson will expand her explanation on the quick ratio for the Water & Sewer Fund when she presents it to the Board. Member Fleischhauer suggested a note for future audits that the firm/staff consider a different title for beach nourishment.

Motion by Member Fleischhauer that we submit the report to the Board of Commissioners with an opinion to move forward with submission of this report.

ADJOURNMENT

Motion to adjourn at 3:39 p.m. by Member Fleischhauer; second by Alternate Member Felmy; approved by unanimous vote.

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§ 30.27 AUDIT COMMITTEE.

(A) *Creation, name and number of members.* There is hereby established an Audit Committee which shall be comprised of a member of the Board of Commissioners and not less than two or more than four residents or property owners of the town as full members, plus one alternate.

(B) *Powers and duties.* The Audit Committee shall:

(1) Serve as an advisory committee for the town's Board of Commissioners (BOC);

(2) Assist and advise the BOC in its oversight responsibilities for the town's financial reporting process, systems of internal financial controls and the external audit process;

(3) Recommend to the BOC each year the selection of the independent external audit firm to conduct the annual external audit, using a request for proposals selection process when deemed necessary by the Audit Committee;

(4) Monitor the performance of the commercial public accounting firms providing audit services to the town;

(5) Monitor the performance of the external audit firm as it relates to the annual audit of the town;

(6) Review the annual audit report with the external auditor and provide a written opinion to the BOC;

(7) Periodically confirm the suitability of the town's internal control systems and/or policies, including information technology security and control;

(8) Receive confirmation that audit report recommendations have been acted upon in advance of the commencement of the next external audit;

(9) Perform other functions from time to time as shall be delegated or assigned to it by the BOC.

(C) *Appointment; terms.* The Commissioner shall be appointed by the BOC in January of each year. Other members of the Audit Committee shall be appointed by the BOC for three-year terms, with the exception of 2022 when two members shall be appointed for three years and two members for two years. Appointments shall normally be made in January. Each member of the Audit Committee shall serve at the pleasure

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of the Board during their appointment.

(D) *Meetings and attendance.*

(1) The Audit Committee shall meet quarterly and in addition at least one time per year to review the final audits with the external audit firm. Additional meetings may be called by the Chair as deemed necessary in fulfillment of the duties of the Committee. An appointed member of the Audit Committee who misses three consecutive regular meetings loses their status as a member.

(2) The Audit Committee shall comply with the provisions of the North Carolina Open Meetings Law, G.S. §§ 143-318.9 *et seq.* A quorum shall be in attendance before any action of an official nature can be taken. A **QUORUM** is defined as at least one more than the number absent of the appointed members.

(3) The Town Manager or his or her designee shall also be in attendance in addition to staff that he or she invites to provide pertinent information on agenda items. Auditors or other outside specialists may also be invited by the Committee or the Town Manager as appropriate.

(4) An appointed member of the Audit Committee who misses three consecutive regular meetings loses his or her status as a member.

(E) *Officers.*

(1) There shall be a Chair and Vice Chair of the Audit Committee. An annual election of the Chair and Vice Chair shall occur at the first regular meeting of the year.

(2) The Town Manager or his or her designee shall serve as Secretary to the Audit Committee.

(F) *Officers' duties.*

(1) The Chair of the Audit Committee shall preside at all meetings and shall appoint all committees.

(2) When the Chair is absent, the Vice Chair shall perform the duties of the Chair. When both the Chair and Vice Chair are absent, a temporary Chair shall be selected by those members who are present.

(3) The Chair shall assemble and provide an agenda to the Secretary at least one week in advance of a scheduled meeting.

(4) The Secretary shall provide to all members copies of agendas, official reports, information relevant to the Committee's duties provided to the Secretary by a Committee member and the official minutes of all regular and special meetings at

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least three working days prior to the next scheduled meeting.

(Ord. 16-02, passed 1-12-16; Am. Ord. 18-18, passed 12-18-18; Am. Ord. 21-32, passed 11-16-21)