



Audit-Finance Committee Meeting
Thursday, November 30, 2023 - 11:00 am
via Zoom

MINUTES

Committee Members Present: Alfred Mae Drakeford (Chairman), Katie Guinn, Wayne Hancock, Kevin Johnson, Jim McCain, Vivian McGhaney, Dwight Stewart, Earl Wilson

Committee Members Not Present: David Weeks

Guest(s): none

Staff Present: Areatha Clark, Dennis Cyphers, Quentina Gregg, Linda Jackson, Rachel Katorkas

1. **Welcome and Call to Order** - Chairman Alfred Mae Drakeford called the meeting to order at 11:00am.
2. **Invocation and Pledge of Allegiance** - Chairman Drakeford provided the invocation and led the Committee in the Pledge of Allegiance.
3. **Determination of Quorum** - Chairman Drakeford verified that a quorum was present.
4. **Adoption of Agenda** - Chairman Drakeford entertained a motion to approve the agenda. The motion was made by Mr. Jim McCain and seconded by Mr. Wayne Hancock. All were in favor and the motion passed unanimously.
5. **Adoption of Previous Meeting Minutes** - Chairman Drakeford entertained a motion to approve the previous meeting minutes from August 28, 2023. A motion was made by Mr. McCain and seconded by Mr. Dwight Stewart. All were in favor and the motion passed unanimously.
6. **Procurement Policy Revisions** - Rachel Katorkas presented staff's recommendation on revisions to the COG's Procurement Policy. There are two recommended revisions. The first revision is on page 7. Staff recommend increasing the thresholds for formal competitive sourcing requirements. Currently, the policy is \$2,500 and under are exempt, and anything over \$10,000 requires a sealed bid process using a Request for Bids or Proposals. Those are very low thresholds and are lower than that of most other government entities, including other COGs. With how costs have gone up for everything since those thresholds were established, which was well over ten years ago, we end up with a very cumbersome process to make even small purchases. The recommendation is to increase those thresholds to \$5,000 for small purchases and \$25,000 for large purchases. The second change recommended is on page 12. There is currently a provision that limits contracts for audit services to 2 consecutive contract terms. The first issue with that is that "contract terms" was not defined, so it is unclear what the board's intention was. The other issue is that we have had difficulties in procurement for audit services. There's not a lot of firms out there interested in auditing COGs. And once we find one, it really takes at least two years for them to get to really understand the COG. So, it would be very difficult to change that frequently. The recommendation is to limit contracts to no more than 5 years which is the limit for all other contracts that the COG enters into. If we ever run into issues with an auditor, the Board can make the decision to terminate a specific contract.

Chairman Drakeford entertained a motion to approve the recommended revisions to the Procurement Policy. A motion was made by Mr. McCain and seconded by Ms. Katie Guinn. All were in favor and the motion passed unanimously.

7. **Finance Director's Report** – Rachel Katorkas gave the following report to the Committee: The Finance Department is fully staffed again. So, we're in training mode and making good progress. The auditors have sent drafts of the financial statements for June 30, 2023, for both the COG and RDC, which we are in the process of reviewing. We will have some back and forth on it, so we don't think it will be ready for Monday's board meeting. But we do expect the reports to be finalized within the next few weeks. Overall, we have been happy with this new firm. They have worked very hard to get these reports done. A Request for Proposals for accounting software has been finalized and approved by the COG's Procurement Team and will be released today. Vendors will have about a month to get proposals into us. We are very excited about what this process will produce, as new software is desperately needed and will allow us to make big improvements in how we manage the COG's finances.
8. **Chairman's Remarks** – none
9. **Adjournment** – The committee meeting adjourned at 11:18am.

Respectfully Submitted,



Rachel Katorkas
Finance Director