GREENVILLE COUNTY COUNCIL

OVERSIGHT AD HOC COMMITTEE
August 24, 2026
4:01 p.m.
Committee Meeting Room

Pursuant to the Freedom of Information Act, notice of the meeting date, time, place, and agenda was posted online and on the bulletin board at County Square and made available to the newspapers, radio stations, television stations, and concerned citizens.

Committee Members Present:

Kelly Long, *Chairwoman*
Garey Collins, *Vice-Chairman*
Steve Shaw
Frank Farmer

Committee Members Absent:

Curt McGahhey

Staff Present:

Andrew Price, *Assistant County Attorney*
Bob Mihalic, *Governmental Affairs Officer*
Regina McCaskill, *Clerk to Council*

Call to Order: *Chairwoman Long*

Invocation: *Councilor Shaw*

Approval of Minutes:

Action: Councilor Shaw moved to approve the minutes of the June 25, 2026, Called Committee Meeting.

Motion carried.

Item (4) **Update on Sheriff's Office and EMS Department Performance Evaluations**

Chairwoman Long gave an update the performance evaluations for the Sheriff's Office and the EMS. She had spoken with Seth Williams of PFM, who stated they were finishing up with their Zoom calls with the prospective departments, as well as with staff at the County. He stated they had been in the process of obtaining information for the past several weeks and would be on-site the week of September 14. Mr. Williams was very complimentary of the cooperation they had received. He was very impressed with the County's staff and the staff at EMS and the Sheriff's Office.

Councilor Farmer asked if there was an estimated timeline as to when they would be finishing their review.

Chairwoman Long stated they anticipated to have their research completed by the end of November, and would hopefully have a report for Council by year-end or the first week of January.

Item (5) **<u>FY2027 Forensic Audit Objectives</u>**

Councilor Collins presented a proclamation for the committee to consider. He read the resolution as follows:

Greenville County was a body politic, incorporated under the laws of the State of South Carolina, with legislative, budgetary, and fiscal policy making authority. The County vested in the Greenville County Council. South Carolina Code 4-9-30 empowered the Council to make appropriations, functions, operations to the County, and to provide for an accounting and reporting system, whereby funds were received, safely kept, allocated, and disbursed. South Carolina Code 4-9-140 vests in the Council, the authority to adopt the County budget, levy, collect taxes, make supplemental appropriations and require reports, estimates, statistics from County departments. The Council had the authority to commission such additional specialized retrospective examinations of the County financial records as the Council determines the public interest to require. The public confidence in Greenville County government was strengthened, and speculation concerning the handling of public money was most effectively and durably answered by open and independent examination conducted by qualified professionals having no interest in its outcome. The results of which would be reported to the Council in public session and made available to the public, and the Council has determined that an authorization of independent forensic audit upon the terms set forth was necessary, proper, prudent, and in the best interest of the citizens of Greenville County. Therefore, be it resolved, the Greenville County Council duly authorized the forensic audit directed by an independent auditor for financial operations and budgetary functions of Greenville County, including without limitation to the general fund. The audit period shall encompass the six-year consecutive fiscal years and corresponding budget cycles. Since the County operated under a biennial budget, six years would include three budget cycles from July 19, 2019, and ending June 30, 2025. Nothing in the resolution shall diminish, suspend, or substitute for the independent annual audit required by the Code of South Carolina 4-9-150 or any other audit, reporting, or filing requirement imposed by law.

Mr. Collins stated since they were in the process of transitioning to a new administrator, there were a number of functions they needed to look at and plan for before the transition took place. He stated the administrator had worked for Greenville County over 20 years, and they appreciated his service; however, he felt it was their duty to have an extensive review of the books before turning them over to a new employee. The annual GASB audit did not test government transactions in depth. It identified the financial position of the agency. That audit operated on a risk-based sampling, rather than reviewing in-depth transactions. Samplings of the transactions, journal entries, and account balances were checked for material misstatements. Mr. Collins stated there was also a materiality threshold where small errors or isolated routine transactions were often ignored if they fell below an established financial threshold of materiality for the agency as a whole. The audit he was proposing would identify, verify, validate and document the County's policy and procedures were being adhered to, according to the established governance set by Council. He stated it was “a what, a how, and a focus” approach. The “what” confirmed a balance or transaction was mathematically correct and properly recorded. The “how” would match a transaction to an invoice and a check to confirm balances. The “focus” would be for a specific record to match to the source document, or the rule that governed the process. The “what” in the validation process was a system-level proof that an entire internal accounting control process worked as intended over a specific time. In the proposed resolution, that time frame would be for six years or three budget cycles. Mr. Collins stated he wanted to know if the operational effectiveness of those internal controls prevented errors in the selected fiscal period and whether or not the process consistently produced true financial statements. He stated he wanted to make sure the General Fund was a focus as it was the County's checkbook. When transitioning to a new administrator, they wanted to make sure they had done everything they could to identify or to verify the balance of the County’s checkbook.

Chairwoman Long stated they were looking to hire a new County administrator in the upcoming fiscal year, and she expected any prospective candidate would question the last time an audit was done. She felt it would be prudent to start that process now in order to time the resulting report with the position interviews.

Councilor Collins stated they had the option to request a snapshot of select years and select functions in order to get a good baseline of where the County was financially. He did not set a cost and felt they could determine the cost at a later point in the process.

Councilor Farmer asked if they were talking about a detectable threshold for quote fraud and what value would that bring to the audits that were currently being conducted.

Councilor Collins stated the County audits were GASB. Therefore, the threshold was set at different levels based on the size of the organization’s budget.

Councilor Farmer asked if the County had a standard value or determinant.

Councilor Collins stated it was usually set by the County’s policy and procedures.

Councilor Farmer asked if the County had a policy.

Councilor Collins stated the County had financial policies but he could not find any type of measurable value.

Councilor Farmer inquired why they were being asked to look at six specific years.

Councilor Collins stated since the County operated on a two-year budget cycle, the six years would include the two full budget cycles prior to the current members having taken their seats on Council. He wanted to include the next two years in order to include one year with the new Council. He felt this would help determine a baseline.

Councilor Farmer sought confirmation of Council having put half a million dollars in a line item for a performance evaluation.

Chairwoman Long stated the money was put into a line item for the Oversight Ad Hoc Committee budget to pay for the current performance audit. Any remaining funds could be attributed to the proposed forensic audit. She said if it turned out to be enough, then it was enough; if not, they would have to go back.

Councilor Farmer stated he had heard the cost of conducting such an audit would be hundreds of 1000s of dollars per year. He asked if they had a ballpark estimate.

Councilor Collins stated they would work within the parameters of what they could get or what they had available. He did not want to let the cost override the decision making.

Councilor Farmer stated the County had roads to pave. Many of them were elected because that was what they were trying to do. They had tripled the infrastructure budget in their first budget cycle. He was concerned because there had not been any detectable fraud, outside of claims from people on the internet. He felt they were going on a "snipe hunt." Mr. Farmer stated in the best-case scenario, they would have the audit performed and there would be nothing found. That would show that Council "had thrown a bunch of money in the toilet." He stated even then, the internet people were not going to be satisfied; it would never end. He was not going to vote against transparency, but when people talked about all the waste in the County, they talk about two things; affordable housing and Greenlink. The affordable housing was not paid for by the taxpayers; it was paid by Prisma through a lawsuit settlement. He stated funding for Greenlink was less than 1% of the budget. He did not feel good about their effort simply because he had not seen any indication of culpability.

Chairwoman Long stated the proposed audit would not be on as big of a scale as the EMS and Sheriff's Office audit; she felt it would be less expensive. They were looking to see if the County's practices lined up with their rules. Ms. Long stated the County had not had an audit to review those type of things and it would go a long way for transparency. She stated the County did not have anything to hide and she felt they needed to put that out there.

Councilor Farmer asked for her reasoning regarding the proposed audit being less expensive than the one they were currently having performed for the Sheriff's Office and EMS.

Chairwoman Long stated her reasoning was based on the size of the department. They would be looking at Finance, Accounting, and the way the County budgeted. The sheer number of people would be a lot less than the Sheriff's Office or EMS. The auditors would not be looking at every single transaction over the six-year period, but would be testing certain items, based on the County's rules. Some rules had changed since the current Council came on-board, so they would be looking to see if those changes had made a difference.

Councilor Farmer asked whether they were proposing a forensic audit on the County's finances, a performance audit to determine if the Administrator and Council were playing by the rules. He stated a forensic audit was used when looking for fraud.

Chairwoman Long stated they would be looking to see if the County was going by the rules. Using a forensic audit would allow them to go a little bit deeper, such as pulling checks and looking to see if everything matched up.

Councilor Farmer stated he understood the point, but he was puzzled as to what their definitions were because the first line of the resolution read, "Authorizing and directing an independent forensic audit of the financial operations and budgetary functions of Greenville County, including general fund for six consecutive fiscal years." He felt the way it read sounded more like a performance audit.

Chairwoman Long stated a forensic audit would enable them to hand the newly-hired administrator something and say everything was tested thoroughly and the County was sure there were no issues.

Councilor Collins stated in the last 10 years, most Fortune 500 companies did this on a regular basis to ensure that procedures and policies stayed online. There had been quite a few counties and municipalities in the state, within the last two years, that had performed one for an administration change. He asked the County Attorney if the County had ever performed a forensic audit.

Assistant County Attorney Andrew Price stated a forensic audit had not been conducted in the time he had worked for Greenville County. Yearly financial audits had been conducted in accordance with the state law requirement for financial tracking. He stated the County Attorney's office did not participate in the audits; those were mainly governed by the Administrator and the Administrator's office.

Councilor Collins stated he was unable to find any information suggesting the County had conducted such an audit going back to 2006. He stated the resolution was not suggesting anything was wrong; it was to make sure everything balanced.

Councilor Shaw asked what the proposed resolution would accomplish. He wanted to understand the scope they were considering and how the scope was to be determined.

Councilor Collins stated the scope was to determine whether the County had to go through an RFP, or if they could select someone independently.

Attorney Price stated the scope would determine what the committee was wanting to accomplish. The resolution being introduced could be debated, amended, held or passed up as drafted for the full Council to consider. Those were the options before them.

Councilor Collins asked if they would have to establish a dollar figure, or would it have to go through the RFP process. He asked if they could request services and then see what prices came in before they decided on the full scope of the audit.

Attorney Price stated if the committee put together a scope they agreed upon, and they were to put it out for a bid, they would receive cost estimates from multiple people indicating they could accomplish what Council hoped to accomplish with the request for proposals. He stated they did not need to put a dollar figure on the project for the RFP. If they set a dollar amount for project, bids would probably come in pretty close to that amount in order to maximize.

Councilor Shaw stated in his mind, a forensic audit indicated they were going to go to court or to trial. He felt they needed to make it clear that was not what they were doing. In reviewing the counts in the earlier lawsuit, one of the counts was about whether

Council created policy through the budget, and did that budget provide the Administrator the ability to make intradepartmental and interdepartmental transfers without going back to Council. He stated that would be one issue of a scope, asking the auditor to find where the County's policy allowed the Administrator to do that, and then provide all the instances over the last six years of where that had happened.

Councilor Collins read from the policy dated 2007, stating, Inter-department Transfers: Funds appropriated in an annual budget may be transferred by the County Administrator between line item accounts within a department / non-department account for the purpose of providing continuing County services approved by the Council in the budget ordinance.

Councilor Shaw stated the audit would then find every occurrence over the past six years, where that action was employed and activated.

Councilor Collins stated in the past, the mention of a forensic audit meant something was done wrong. Currently, Fortune 500 companies did it in a forensic way; not to find something specifically, but to find something in general that said their business transactions were compliant with their regulations. He stated that was all they were looking for. They might find something that did not fall within the standard, but that did not mean that someone did something wrong. He felt it would be prudent to go through and do as best they could with the resources they had to create a level of competency in transferring over to a new administrator. He suggested picking a department, such as COVID grants, where the monies were specified for a particular purpose.

Chairwoman Long stated if the committee passed the resolution, the next step would be to flesh out the parameters. They could not look at every single transaction of the last six years, but they could look at things that might be a concern for the new Administrator. It would be up to the committee to come up with the areas they wanted reviewed.

Councilor Shaw asked if the vote was the final action or would it come back up in subsequent meetings of the committee.

Chairwoman Long stated they were at the beginning of the process, not the final action. She stated even if they decided on the terms of the audit, and the RFP came back with an astronomical price, they could go back and amend their scope.

Attorney Price stated they were considering a resolution, not an ordinance. It was more of a statement of intent by Council.

Councilor Collins asked if the committee approved the resolution, would it still be amendable throughout the process.

Attorney Price stated it would be amendable even when it went before full Council. He stated it was easier to amend in committee because they could have more of an open forum, and it would be the recommendation of the committee. Mr. Price reminded them, that no committee could bind full Council.

Action: Councilor Shaw moved to approve the resolution and forward it to the full Council.

Motion to approve carried.

Item (6) **<u>Adjournment</u>**

Action: There being for further business, Councilor Shaw moved to adjourn.

Motion carried and the meeting adjourned at 4:46 p.m.

Respectfully submitted:

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Regina McCaskill
Clerk to Council