



Florida School for the Deaf & the Blind

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AGENDA

AUDIT COMMITTEE

September 27, 2024 at 9:45 AM

Moore Hall 215, FSDB Campus

St. Augustine, Florida

Call to Order

Roll Call: Ms. Christine Chapman, Mr. Terry Hadley, Mr. Owen McCaul

Approval of Minutes: February 23, 2024

Public Comment – Limited to 3 Minutes

New Business:

- Endowment Audit: CRI – Amy Miller and Shanoa Murch
- Internal Audit Update: Mauldin & Jenkins – Dianne Kopczynski and Brandon Smith
 - Construction Subcontractors
 - Student Enterprises Class and Club Accounts Inventory of Goods
 - IT Observations and Recommendations
- 2024-2025 Risk Assessment and Internal Audit Plan: Mauldin & Jenkins – Dianne Kopczynski
- Next Meeting – February 28, 2025

Action Items for Consideration:

1. Board approval is requested for the acceptance and implementation of the proposed 2024-2025 Internal Audit Plan.

Adjournment



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MEETING MINUTES

AUDIT COMMITTEE

February 23, 2024, at 8:30 AM

Moore Hall 215, FSDB Campus

St. Augustine, Florida

Call to Order

Mr. Hadley called to order the meeting of the Audit Committee at 8:30 a.m.

Roll Call

Committee Members Present: Ms. Christine Chapman, Mr. Terry Hadley, Dr. Tom Zavelson (alternate)

Committee Member Absent: Mr. Owen McCaul

Non-Committee Members Present: Mr. Matthew Kramer, Mrs. JuneAnn LeFors

Mauldin & Jenkins: Ms. Dianne Kopczynski

FSDB: Tracie Snow, President; Julia Mintzer, Administrator of Business Services
Shelley Ardis, Administrator of Outreach & Technology; Richard Flores, Information Security
Lexi Bucca, Executive Director of Human Resources
John Wester, Comptroller; Alison Crozier, Executive Director of Budget Management
Kim Whitwam, Director of Purchasing; Jen Hiddleson, Assistant Director of Student Bank
Denise Fernandez, Recording Secretary; Nick McClure and Alyssa Botelho, Interpreters

Approval of Minutes

The minutes of the Audit Committee Meeting of September 29, 2023, were *approved on a motion by Ms. Chapman; seconded by Dr. Zavelson.*

Public Comment

None

New Business

Internal Audit Update (Mauldin & Jenkins-Dianne Kopczynski)—Ms. Kopczynski provided the following updates:

- In her testing of procedures and processes from the Human Resources Termination audit conducted in the fall of 2023, Ms. Kopczynski reported that the HR Department discovered the Supervisor's Employee Separation Checklist was missing from three employee termination records. The oversight was immediately addressed and corrected. Furthermore, other records were reexamined for inconsistencies, and practices were improved. As a result, FSDB was awarded a satisfactory rating.
- Ms. Kopczynski conveyed her expectation to finalize two audits—Student Enterprises Club and Class Procedures, and Construction Contracts and Subcontractors—by early April 2024.



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- Ms. Kopczynski mentioned that her monthly monitoring through hotline provider Red Flag Reporting uncovered zero reports of fraud.

Internal Audit Recommendations Update-Technology/Information Systems (Shelley Ardis)—Ms. Ardis presented the corrective actions for the following IT audit findings reported in the fall of 2023:

- Policies and Procedures—Ms. Ardis implemented a shared meeting calendar whose purpose would be to schedule live demonstrations of procedures on specific applications to present to M&J. This method would ensure that the auditors derive a more comprehensive knowledge of IT processes that might otherwise be missed or misunderstood in a series of snapshots and paper documentation. Also, two new policies were created, and other existing policies were expanded to comply with changes in state laws.
- Vendor Management/Access and Authentication—Taking her cue from the business continuity processes that were introduced during FSDB’s first campus closure caused by Hurricane Matthew, Ms. Ardis’ team is compiling detailed information from internal and external applications to add to the IT risk assessment plan. They are mindful of the various risks that can arise when engaging with the agency’s vendors.
- Cybersecurity—All agencies and institutions are being threatened by phishing attempts. For two years, Ms. Ardis and her team have been partnering with Florida Digital Services which is charged with safeguarding the state’s digital infrastructure. The FSDB IT team continues to work diligently to mitigate risks by monitoring the network, adding layers of protection to its system, reexamining processes, and alerting staff of potential threats. Recently the team was lauded for containing a phishing attack and eradicating it. This was due to the security measures in place as well as to the astute actions of staff who were well informed by IT on how to defend against phishing scams.

Endowment – Agreed Upon Procedures Reports (John Wester)—Mr. Wester reviewed the following independent auditor findings from the 30 student accounts and 30 club and class accounts that were tested against six agreed-upon procedures for FYE 2023.

- Student Accounts—No exceptions were found in three of the six procedures tested. Those impacted were a result of mid-year withdrawals of students whose accounts still had a remaining balance. The affected accounts were zeroed out, and checks were mailed to the last addresses on record.
- Club and Class Accounts—No exceptions were found in five of the six procedures tested. This was the result of a misapplied deposit. The clerical error was addressed and resolved.

Financial Audit Status (Julia Mintzer and John Wester)—The Financial Statement audit is in progress with a target completion date of March 31; the exit conference is scheduled for March 28. Mr. Wester and Ms. Mintzer concurred that they have been facing “challenges” with the process.



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One concern is that FSDB is required to include external source data in its financial statement to the Auditor General (AG) which is not easily attainable from the source—the Department of Financial Services (DFS). The other concern is that while the same data required to produce the report is furnished to the AG, the AG will not share it with FSDB because they are using it in their audit of this agency. Ms. Mintzer and Mr. Wester have since identified solutions to be applied to next year’s process. However, they will continue to question the feasibility of this report since FSDB is “a component of the Department of Education (DOE),” not a single entity.

Next Meeting—To be determined after the proposed 2024-2025 BOT meeting dates are approved.

Action Items for Consideration

1. Board approval is requested to renew the contract with Mauldin & Jenkins for the 2024-2025 fiscal year to provide internal audit and financial statement services.

| | <u>2024-2025</u> | <u>2023-2024</u> |
|------------------|------------------|------------------|
| Partner | \$320.00 | \$310.00 |
| Director | \$310.00 | \$300.00 |
| Manager | \$230.00 | \$220.00 |
| IT Specialists | \$315.00 | \$305.00 |
| Senior Associate | \$200.00 | \$190.00 |
| Associate | \$175.00 | \$165.00 |

Approved on a motion by Dr. Zavelson; seconded by Ms. Chapman.

2. Board approval is requested to renew the contract with Carr, Riggs, & Ingram for the 2024-2025 fiscal year to conduct the Annual Audit of Endowment Funds (Fiscal Year Ending June 30, 2024) and Limited Procedures Engagement (Student Accounts and Student Club/Class Organization Accounts).

| | <u>2024-2025</u> | <u>2023-2024</u> |
|--|--------------------|------------------|
| Annual Audit of Endowment Funds | \$24,640.00 | \$22,000.00 |
| Limited Procedures Engagement (Student Accounts) | \$3,080.00 | \$2,750.00 |
| Limited Procedures Engagement (Club/Class Org. Accounts) | \$3,080.00 | \$2,750.00 |

Approved on a motion by Ms. Chapman; seconded by Dr. Zavelson.

Adjournment

The meeting was adjourned at 9:09 a.m. by Mr. Hadley.