



# Florida School for the Deaf & the Blind

*Do More. Be More. Achieve More.*

## MEETING MINUTES

### AUDIT COMMITTEE

February 25, 2022 at 9:30 a.m.

Moore Hall – CLD, FSDB Campus

St. Augustine, Florida

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### Call to Order

Mr. Terry Hadley called the meeting of the Audit Committee to order at 9:38 a.m.

### Roll Call

**Present:** Mr. Ralph “Terry” Hadley, Owen McCaul, Mr. Matthew Kramer

**Board of Trustees:** Mrs. Christine Chapman, Mrs. JuneAnn LeFors, Dr. Thomas Zavelson

**RSM:** Ms. Jamie Bardee, Mr. Joseph Nash

**FSDB:** Ms. Tracie Snow, *President*, Julia Mintzer, *Administrator of Business Services*

John Wester, *Comptroller*, Alison Crozier, *Director of Budgets and Grants*

Denise Fernandez, *Recording Secretary*

Katie Bechtold, Cat Arasi Kelleher, Nick McClure, *Interpreters*

### Approval of Minutes

The minutes of the October 29, 2021 Audit Committee Meeting were *approved on a motion by Mr. McCaul; seconded by Mr. Kramer.*

### Public Comment

None

### New Business

- **Internal Audit Update: RSM – Jaime Bardee**

Construction Management—RSM drafted language for the Gregg Hall Design-Build firm (DB) contract, drawing from the following sources: previous Auditor General reports, FSDB leadership interviews, and their own rapid assessment of Gore Hall. Six recommendations were proposed:

1. *Subcontractor Procurement*—the DB will be contractually obligated to provide documentation evidencing their procurement process to FSDB and to track subcontractor buy-out reconciliations.
2. *Self-Performance by the DB Contractor*—the DB will be required to obtain written approval from FSDB for self-perform portions of work to ensure their compliance of the procurement process and to assure they are the lowest bidder.
3. *Treatment of the Construction Phase Fee*—the DB will be provided with an extensive list of allowable expenses incorporated in the fee to help prevent inadvertent duplicate billing.
4. *Contingency*—the DB will be required to obtain written approval from FSDB to use contingency funds after providing justification and an itemization of specified amounts.
5. *Change Orders*—the DB will be required to provide documentation that itemizes proposed additional costs at the subcontractor level so that FSDB may accurately assess their validity.
6. *Compliance with all Applicable Regulations*—FSDB’s terms and conditions will reference Florida Statutes and Department of Management Services (DMS) rules and regulations governing the procurement of construction services. These were omitted in previous contracts and solicitations which only included provisions for procuring commodities and services.



IT Risk Assessment and Implementation Support—this project is still in progress with an estimated completion date of March 2022.

• **Endowment – Agreed Upon Procedures Reports: John Wester**

Mr. Wester provided an overview of Carr, Riggs, & Ingram’s (CRI’s) findings. The endowment auditors tested six procedures: student roster/account accuracy, transactions, activity, deposits, additions/deletions, and cash balances among 30 accounts in each of the following categories maintained by the Endowment for FYE2021:

- *Class and Club Accounts*—No exceptions found in four of the six procedures tested. The two impacted—account activity and transactional procedures—were the result of a misapplied donation. The errors were addressed by posting corrected journal entries.
- *Student Accounts*—No exceptions found in each of the six procedures tested.

• **Competitive Solicitation for Internal and External Audit Services – Update: Julia Mintzer**

Mrs. Mintzer emphasized FSDB’s commitment to “process improvement and internal audit” by recognizing key people whose efforts contributed toward our successful endowment audits and procurement/solicitation processes: Student Bank Supervisor Jen Hiddleson and Director of Purchasing Kim Whitwam. She thanked RSM for their constructive guidance over the past five years which led to our successful business partnership and she looks forward to continuing the momentum with FSDB’s new internal auditor: Mauldin and Jenkins.

*Mr. Hadley lauded everyone’s efforts.*

- **Next Meeting** – To be determined when the 2022-2023 BOT meeting dates are established.

**Action Items for Consideration:**

1. Board approval is requested to enter into contract with Mauldin and Jenkins for the 2022-2023 fiscal year, with the option of three annual renewals, to provide internal audit and financial statement services.

	<u>2022-2023</u>
Partner	\$295.00
Director	\$285.00
Manager	\$210.00
IT Specialists	\$290.00
Senior Associate	\$180.00
Associate	\$155.00

*Approved on a motion by Mr. Kramer; seconded by Mr. McCaul.*

2. Board approval is requested to enter into contract with Carr, Riggs, & Ingram for the 2022-2023 fiscal year, with the option of three annual renewals, to conduct the Annual Audit of Endowment Funds (Fiscal Year Ending June 30, 2022) and Limited Procedures Engagement (Student Accounts and Student Club/Class Organization Accounts).

2022-2023



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Annual Audit of Endowment Funds	\$20,000.00
Limited Procedures Engagement (Student Accounts)	\$2,500.00
Limited Procedures Engagement (Club/Class Org. Accounts)	\$2,500.00

*Approved on a motion by Mr. McCaul; seconded by Mr. Kramer.*

**Adjournment**

The meeting adjourned at 9:55 a.m. by Mr. Hadley.