



# Florida School for the Deaf & the Blind

*Do More. Be More. Achieve More.*

## MEETING MINUTES

### AUDIT COMMITTEE

September 23, 2022 at 9:15 AM

Moore Hall 215, FSDB Campus

St. Augustine, Florida

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#### Call to Order

Mr. Hadley called to order the meeting of the Audit Committee at 9:15 a.m.

#### Roll Call

**Committee Members Present:** Mr. Terry Hadley, Mrs. Christine Chapman, Mr. Matthew Kramer (alternate)

**Committee Members Absent:** Mr. Owen McCaul

**Non-Committee Members Present:** Mrs. JuneAnn LeFors, Dr. Tom Zavelson

**Carr, Riggs & Ingram:** Ms. Amy Miller, Ms. Shaoa Murch

**Mauldin & Jenkins:** Ms. Dianne Kopczynski

**FSDB:** 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, Rena Hurley, Nick McClure, Interpreters

#### Approval of Minutes

The minutes of the February 25, 2022 Audit Committee Meeting were *approved on a motion by Mr. Kramer; seconded by Mrs. Chapman.*

#### Public Comment

None

#### New Business

**Endowment Audit (Amy Miller, CRI)**—Ms. Miller pronounced a clean/unmodified opinion of FSDB's financial statements in her audit report dated *June 30, 2022* and provided the following highlights.

Due to the year's volatile market conditions, the endowment realized a decrease across several account categories. Among those affected were total assets (which showed a 10% decline over last year), total restricted fund balance, and total revenue. Among the categories realizing an increase were:

- **Total Liabilities**—due to timing of payables.
- **Total Contributions**—Johnson Foundation represents 36% of the total.
- **Total Expenditures**—due to the resumption of operations, although still under budget.

Mrs. Mintzer advised the committee that the slowdown in program expenditures over the previous two years was heavily influenced by COVID. However, the gradual increase in spending activity coupled with improved processes and practices give her confidence that the earmarked funds will be fully utilized in 2022-2023. Moreover, she informed the group that another layer of transparency was added to year-end restricted funding reports for which the reaction from stakeholders has been highly favorable. It is likely that FSDB will see a rise in recurring contribution dollars from one of its prominent donors.

Ms. Miller also reported that there were “no significant deficiencies or material weaknesses” in FSDB’s compliance and internal controls over financial reporting. However, she did note that there were a few improvement opportunities around IT internal controls (i.e., a formal security policy, online banking shared access, segregation of duties) that merited attention.

**Risk Assessment and Internal Audit Plan (Dianne Kopczynski, Mauldin & Jenkins)**—Ms. Kopczynski provided a brief introduction and outlined her firm’s risk assessment methodology which uses the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework as the standard of internal control. Applying this approach across FSDB functions, she proposes the following areas to be audited in 2022-2023:

- **Accounts Payable**—including P-Card issuances and purchases.
- **Human Resources**—including timekeeping, annual review process; pay raises, and fingerprinting and background checks.
- **Construction**—including subcontracting.
- **Information Systems**—including processes, access and authentication, and cybersecurity.

**Operational Audit Update (Julia Mintzer)**—Mrs. Mintzer shared the outcome of her meeting with the Auditor General which will be formally presented at their pre-exit conference in October. Overall, FSDB has demonstrated substantial improvement over the previous audit year as evidenced by three audit findings: the sign language policy, the Campus Facilities Master Plan and PECO LBR, and construction administration. Mrs. Mintzer’s assessment of the meeting was highly positive as she recognized that the AG’s review addressed policy and procedural opportunities, not performance issues. She remarked that the AG also commended FSDB for its school safety initiatives, its abundant campus resources, and the absence of any employee misconduct.

**Financial Statement Audit Update (John Wester)**—Mr. Wester announced the commencement of the financial audit in September which he predicts will end in March 2023 with no issues. He looks forward to working with the new onsite audit supervisor as well as providing insight and guidance regarding FSDB’s practices.

*Mr. Hadley thanked each presenter for their thorough reports and observations and lauded FSDB for its efforts.*

**Next Meeting** – February 24, 2023

#### **Action Item for Consideration**

Board approval is requested for the acceptance and implementation of the proposed Internal Audit Plan. *Approved on a motion by Mr. Kramer; seconded by Mrs. Chapman.*

#### **Adjournment**

The meeting adjourned at 9:59 a.m. by Mr. Hadley.