



Florida School for the Deaf & the Blind

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MEETING MINUTES

AUDIT COMMITTEE

October 29, 2021 at 8:30 AM
Moore Hall CLD, FSDB Campus
St. Augustine, Florida

Call to Order

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

Roll Call

Present: Mr. Owen McCaul, Mr. Matthew Kramer, Dr. Thomas Zavelson (alternate)

Absent: Mr. Terry Hadley

Board of Trustees: Mrs. Christine Chapman, Mrs. JuneAnn LeFors

CRI: Ms. Amy Miller

RSM: Ms. Jamie Bardee, Mr. Matt Blondell, Ms. Jennifer Murtha, Ms. Clara Ewing

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 and Cat Arasi Kelleher, Interpreters

Approval of Minutes

The minutes of the February 26, 2021 Audit Committee Meeting were *approved on a motion by Mr. Kramer; seconded by Dr. Zavelson.*

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, 2021*. She also provided the following highlights.

Compared to last year, and due to the substantial asset transfer by a foundation:

- **Total Assets** increased about \$14.7mm.
- **Contributions** increased about \$11.4mm.
- **Investment Income** increased about \$2.5mm.
- **Total Expenditures** decreased about \$115K.
- **Net Revenue** totaled about \$14.8mm.

Ms. Miller reminded the committee that CRI applies government auditing standards to their audit and reported that there were "no significant deficiencies, material weaknesses, or non-compliance matters" in FSDB's internal controls. There was one adjustment finding that was recorded by management and



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reflected in the numbers. Ms. Miller concluded her presentation by expressing her gratitude for the opportunity to have served FSDB over the past years.

Internal Audit Plan and Follow-Up (Jaime Bardee and Matt Blondell, RSM)—Three reports were presented.

Timekeeping Cycle Audit (1 Finding)—RSM chose two scope periods--pre-COVID and COVID—in which to evaluate the procedures of two departments—Parent Services and Interpreter Services. A total of 64 timesheets, comprising 25 employees from each department (including a few who served in duplicate positions), were reviewed. Despite the inherent high risk apparent in this function, there was only one moderate finding. Ms. Bardee reported that an employee’s time recorded in FSDB’s online, secure platform People First did not match the time notated in their supplementary documentation. As a result, the employee was shorted wages equal to one hour within the corresponding “correcting” pay period. While the error was eventually addressed, RSM recommended that tracking controls be established to ensure that entries are accurately made across pay periods.

Human Resources Audit (2 Findings)—RSM chose a one-year scope period—2020—to assess employee recruitment, selection and onboarding. Of the 135 newly hired employees in that period, 25 were reviewed. Ms. Bardee shared her observations and provided a process improvement opportunity.

- **Onboarding Training Audit:** Of the requisite 22 training classes, one must be completed within 30 days of hire. RSM observed that 18 of the 25 tested had not complied. RSM recommended that a verification section be added to the existing Supervisor’s New Hire Checklist to help track training completion.
- **Signed Position Description Audit:** Of the 25 samples tested, one signed job position description was missing from an employee’s personnel file. RSM recommended that:
 - HR’s two checklists—PAR Process and Supervisor’s New Employee—be updated with a verification section acknowledging receipt of a fully signed position description.
 - HR examined all current staff’s position descriptions to ensure they are completely signed.
- **Interview Process Improvement Opportunity:** Although each department has the autonomy over their respective interview process, RSM recommends that HR spot check different groups periodically. This practice will ensure that interviews are being run in accordance with state law and “help mitigate [the] risk” of improper discussions that may inadvertently transpire during the interview process. This would also give HR the opportunity to provide relevant and valuable feedback to interviewers which they could apply to other future interviews.

Human Resources addressed all RSM’s recommendations and revised their processes accordingly.

Proposed Internal Audit Plan—Mr. Blondell complimented FSDB on its great audit results and proceeded to review RSM’s risk assessment methodology, 2020-2021 accomplishments, and the 2021-2022 audit plan. This year, RSM plans include:



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- **Follow-Up:** RSM will review management progress on the implemented processes for the above noted audits.
- **IT Risk Assessment & Implementation Support:** Originally slated for 2020-2021 in response to the Auditor General's operational audit, this assessment had been paused. Following a thorough review of the scope and various conversations with the Administrator of Outreach and Technology, RSM recognized the need to assign dedicated technical specialists to properly conduct this audit.
- **Construction Management:** The Gregg Hall project renovation audit will be managed similarly to the 2018 Gore construction rapid assessment. Focus will be placed on the procurement process, with special attention to contract solicitation development.
- **Financial Statement Advisory:** RSM will continue to provide these services alongside subject matter experts when FSDB prepares its financial statements and goes through the external audit process with the AG.

Financial Statement Audit Update (John Wester)—The Auditor General issued the FYE June 30, 2020 financial report—with no findings—in March 2021. As of September 2021, the auditors have returned to campus to conduct the FYE June 30, 2021 financial audit. Thus far, there have been no concerns raised. Mr. Wester expects their assignment to be completed in January 2022.

Next Meeting—February 25, 2022

Action Items for Consideration

1. Board approval is requested for the acceptance and implementation of the proposed Internal Audit Plan. *Approved on a motion by Mr. Kramer; seconded by Dr. Zavelson.*
2. Board approval is requested for the Administrator of Business Services to work collaboratively with the Contract Administrator to facilitate the procurement process to hire an accounting firm to conduct the Annual Audit of Endowment Funds and Limited Procedures Engagement (Student Bank Accounts, Student Activities Fund). *Approved on a motion by Dr. Zavelson; seconded by Mr. Kramer.*
3. Board approval is requested for the Administrator of Business Services to work collaboratively with the Contract Administrator to facilitate the procurement process to hire an Internal Auditor. *Approved on a motion by Mr. Kramer; seconded by Dr. Zavelson.*

Note: The Internal Auditor will prepare long-term and annual audit plans that identify audit topics based on periodic risk assessments. The Internal Auditor will also assist in the development of the financial statement.

Adjournment

The meeting adjourned at 9:01 a.m. by Mr. McCaul.