

VSAC Audit Committee Minutes

May 18, 2020

2:00 p.m.

Via Zoom Video and Telephone Conference Platform

Members Present: Beth Pearce, John McSoley

Members Absent: Michael Smith

Other Board Members Present: N/A

VSAC Staff Present: Scott Giles, Patrick Leduc, Tom Little, Marilyn Cargill, Laurie Oliver, Bruce Hicken, and Jodie Ducharme

External Auditors Present: Mark LaPrade, CPA, CGMA, Principal, Robert Smalley, CPA, CFE, Senior Manager, and Katharine Balukas, CPA, Manager of BerryDunn

The meeting was called to order at 2:20 p.m. on the Zoom virtual meeting platform with all present able to hear one another throughout the meeting. With a quorum established, the Committee proceeded with the agenda.

Approval of Minutes

Upon a motion made by John McSoley and seconded by Beth Pearce, the Committee voted to approve the minutes of the January 27, 2020 Committee meeting, as presented.

FY20 Audit Plan Presentation (BerryDunn)

BerryDunn auditors Mark LaPrade, CPA, CGMA, Robert Smalley, CPA, CFE, and Katharine Balukas, CPA presented the previously distributed *Pre-Audit Communications to the Audit Committee* report. The communication covered the required auditor communications, audit timing, significant audit areas planned, and planning questions.

The Committee provided input to BerryDunn with regards to the annual planning inquiries.

Information Security Risk Review

Laurie Oliver directed the Committee's attention to the information security risk outlined in the previously distributed materials. Laurie reviewed the inherent risks, oversight & controls, probability and risk impact. Patrick Leduc communicated recent steps taken to support the controls. Following a brief discussion, the Committee agreed with Executive Management's probability and impact of the risk.

Internal Audit and Risk Management Report

Status Report

Laurie Oliver provided a snapshot of active audits and gave an update on three external audit activities – the FY20 Financial Statement Audit & Uniform Guidance Audit, the Guarantor Program Review, and the FY20 Guarantee Agency Security Assessment (GASA) – NIST Self-Assessment. Laurie moved on to internal audit activities, highlighting the biennial lender review, corporate insurance renewal, and state law compliance program and noting the Imaging project has been successfully completed.

FY20 Internal Audit Plan Update

Laurie provided an update on the FY20 Internal Audit Plan noting the proposed timeline and status for each of the planned activities outlined in the previously distributed materials.

Audit Committee Self-Evaluation

The Committee met with the Executive Committee to discuss the Audit Committee Self-Evaluation.

Internal Audit & Risk Management Annual Evaluation

The Committee discussed the performance of the Internal Audit and Risk Management function for annual performance purposes with Tom Little.

Other Business & Adjournment

There being no other business, the Committee adjourned at 3:56 p.m.

Respectfully submitted,

Tom Little
Assistant Secretary