

## MINUTES

### VSAC AUDIT COMMITTEE MEETING

June 16, 2014

9:00 a.m.

Board Room, VSAC Offices  
10 East Allen Street  
Winooski, VT

#### Attendance:

Committee Members Present: David Coates (Chair), Beth Pearce (by phone), Mike Smith, and State Auditor Representative Tanya Morehouse

Committee Members Absent: None

Other Board Members Present: Dodie Mitchell

External Auditors Present: Mark LaPrade and Rob Smalley, BerryDunn

Staff: Scott Giles, Tom Little, Mike Stuart, Laurie Oliver, Kristi Rocheleau

---

The meeting was called to order at 9:00 a.m., and a quorum was declared present. The Chair reviewed the agenda with the Committee.

#### Approval of Minutes

*Upon a motion made by Michael Smith and seconded by Beth Pearce, the Committee voted unanimously to approve the meeting Minutes of January 23, 2014, as presented.*

#### Internal Audit & Risk Management

Laurie Oliver presented and addressed questions regarding the Status Report and Internal Audit Plan Update previously distributed. Ms. Oliver emphasized that internal audit resources during the year were focused on meeting the contractual external audit requirements of the federal loan servicing contract and other regulatory audits. Other planned audits were deferred due to lack of resources.

#### FY14 Audit Plan Presentation (BerryDunn)

Mark LaPrade and Rob Smalley of BerryDunn presented the previously distributed *Auditor Communications - 2014 Audit Planning Summary* report with Committee members. This report covers the professional communication requirements and emerging issues that Berry Dunn is required to communicate to the Audit Committee about the audit. No findings have been identified through any of the interim testing performed to date. Rob Smalley communicated that the audit was successful and interim work took less time than last year. Chair David Coates shared Committee input with regards to the discussion points.

#### Internal Audit and Risk Management Annual Evaluation

*Upon a motion made by Michael Smith and seconded by Beth Pearce, the Committee voted unanimously to enter executive session at 9:47 p.m. in order to consider the evaluation of a*

***confidential contract matter and the evaluation of a public officer, premature public knowledge of which would clearly place VSAC at a substantial disadvantage. 1 V.S.A. sec. 313(a)(3).***

Chair David Coates indicated he would share the results of the Committee's evaluation with Ms. Oliver at the conclusion of the meeting.

**Legal Update**

Tom Little provided a summary of where legal issues stand to date. He will communicate information out to Board Members as it becomes available.

***Upon a motion made by Beth Pearce and seconded by David Coates, the Committee voted unanimously to adjourn at 10:25a.m.***

Respectfully submitted,

Tom Little  
Assistant Secretary