

VSAC Audit Committee Minutes

January 22, 2018

1:30 p.m.

Board Room, VSAC Offices

10 East Allen Street

Winooski, VT

Attendance

Committee Members Present: David Coates (Chair) and Michael Smith

Committee Members Absent: Beth Pearce and State Auditor Representative Tanya Morehouse

Other Board Members Present: Dodie Mitchell

Staff: Scott Giles, Mike Stuart, Tom Little, Marilyn Cargill, Patrick Leduc, Laurie Oliver, Bruce Hicken, and Kristi Rocheleau

The meeting was called to order at 1:22 p.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 David Coates, the Committee voted to approve the minutes of the November 20, 2017 Committee meeting, as presented.

Internal Audit and Risk Management Report

Laurie Oliver provided a snapshot of active audits, and highlighted audits that had closed since the last round of materials were circulated. Ms. Oliver also noted that a significant amount of time is allocated to risk assessment and work on the Private Loan Origination Project which is the most critical project of the corporation. Further discussion took place regarding risks and status of the project. Ms. Oliver reported that she had met all continuing education requirements for 2017 to maintain her internal audit certification.

Audit Committee Self-Evaluation

David Coates deferred the self-evaluation to allow time to solicit feedback from all Committee Members. David added that he will conduct the self-evaluation prior to the next meeting, and asked for Dodie Mitchell (Board Chair) to participate.

Charter & Workplan Review

Laurie Oliver pointed out one slight change to the Workplan to align Committee fraud oversight activities. Committee Members present agreed with this change. No additional action was taken.

Internal Audit and Risk Management Charter

The Committee then directed its attention to the IARM and Laurie Oliver reported no changes.

Annual Federal Trade Commission Red Flags Policy

Tom Little provided background on the Red Flags Identify Theft Prevention Program. The Red Flags Rule requires businesses and organizations to implement a written identity theft prevention program designed to detect the “red flags” of identity theft in their day-to-day operations, take steps to prevent the crime, and mitigate its damage. Mr. Little reported that review of the program affirms that VSAC’s Red Flags Identity Theft Prevention Program is effective in identifying and preventing identify theft.

Upon a motion made by Mike Smith and seconded by David Coates, the Committee voted unanimously to approve and adopt the Annual FTC Red Flags Policy as presented including both the report and the Policy documents.

Risk Management Review

The Committee reviewed the Fraud and Authority risks identified within the Risk Management Plan that are assigned to the Committee. In response to questions, Laurie Oliver communicated that the Executive Committee has reviewed these two risk documents and recommended no changes. Scott Giles then communicated that the Executive Team is working to complete its annual review of all the risks and noted that the next step is to review and assign indicators with the Internal Auditor’s assistance. The Committee expressed their support for this next approach.

Legal Update

Tom Little shared that there is no legal activity to report.

Other Business & Adjournment

There being no other business, the Committee adjourned at 2:06 p.m.

Respectfully submitted,

Tom Little
Assistant Secretary