

Minutes

VSAC Audit Committee Meeting

May 22, 2023

1:00 p.m. – 2:30 p.m.

**Boardroom, VSAC Offices
10 East Allen Street
Winooski, Vermont 05404**

Members Present:	John McSoley (Chair), Mike Pieciak, Ryan Dulude
Members Absent:	Michael Smith
Other Board Members Present:	Dodie Mitchell
VSAC Staff Present:	Scott Giles, Patrick Leduc, Tom Little, Marilyn Cargill, Laurie Oliver, Mike Stuart, Bruce Hicken, and Jodie Ducharme
External Auditors Present:	Jim Piotrowski, CPA, CGFM, Engagement Principal and Erin Byerly, CPA, Engagement Manager of CliftonLarsonAllen (CLA)

Chair John McSoley called the meeting to order at 1:02 p.m. With a quorum established, the Committee proceeded with the agenda.

Approval of Minutes

Upon a motion made by Ryan Dulude and seconded by Mike Pieciak, the Committee voted to approve the minutes of the January 23, 2023 Committee meeting, as presented.

Public Comment

There were no public comments given during the public comment period.

CLA Introduction and FY23 Audit Plan Presentation (CliftonLarsonAllen)

John McSoley welcomed new external auditors, Jim Piotrowski, CPA, CGFM and Erin Byerly, CPA, of CliftonLarsonAllen (CLA). Jim Piotrowski and Erin Byerly presented the previously distributed materials covering an introduction to CLA and the engagement team, the terms of engagement, audit scope, information related to the implementation of GASB Statement No. 84, and the audit timeline.

The Committee discussed the materials and Jim Piotrowski and Erin Byerly responded to questions.

Jim Piotrowski and Erin Byerly exited the meeting at 1:49 p.m.

Internal Audit and Risk Management Status Report

Laurie Oliver directed the Committee to previously distributed materials and provided a snapshot of active audits, highlighting the NY Student Loan Servicer exam and noting that a ‘soft’ exit meeting was held by NY in mid-March where they verbally shared preliminary findings. Laurie noted that a final written report will be provided to VSAC after a final exit meeting, which has not yet been scheduled.

Laurie also provided an update on the LIBOR transition project, explaining that VSAC's FFEL loan federal special allowance payments, currently based on the LIBOR interest rate index, needs to change since the LIBOR index is being phased out. VSAC will support required changes to the FFEL quarterly special allowance billing through an internally programmed solution outside of the servicing system to ensure timely and accurate billing to the Department of Education. Laurie indicated Internal Audit will confirm controls are in place to reconcile the billing detail to the servicing system and will conduct an independent review of the special allowance billing process for the initial billing period.

Audit Committee Self-Evaluation

John McSoley suggested to the Committee that they conduct this self-evaluation via email. Committee members agreed with John's recommendation.

Executive Session

Upon a motion made by Ryan Dulude and seconded by Mike Pieciak, the Committee voted unanimously to enter executive session at 2:24 p.m. to consider contractual matters, premature public knowledge of which would clearly place VSAC at a substantial disadvantage, and for the Committee to receive confidential advice from legal counsel. The following were requested to remain in the meeting, as they have information needed for the executive session: Tom Little. 1 V.S.A. sec. 313 (a).

The Committee exited the session at 2:33 p.m.

Upon a motion made by Mike Pieciak and seconded by Ryan Dulude, the Committee voted unanimously to authorize John McSoley to complete the evaluation process consistent with the executive session consensus, and to communicate the results to Laurie Oliver.

Other Business & Adjournment

There being no other business, the Committee adjourned at 2:33 p.m.

Respectfully submitted,

Tom Little
Assistant Secretary