

Minutes

VSAC Audit Committee Meeting

September 18, 2023
12:30 p.m. – 2:00 p.m.

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

Attendance

Committee Members Present: John McSoley (Chair), Mike Pieciak, Ryan Dulude

Committee Members Absent: Michael Smith

Other Board Members Present: Dodie Mitchell

External Auditors Present: Jim Piotrowski, CPA, CGFM, Principal and Erin Byerly, CPA, Manager of CliftonLarsonAllen (CLA)

Staff: Scott Giles, Mike Stuart, Tom Little, Patrick Leduc, Laurie Oliver, Bruce Hicken, and Jodie Ducharme

Chair John McSoley called the meeting to order at 12:31 p.m. With a quorum established, the Committee took up the first order of business.

Approval of May 22, 2023, Minutes

Upon a motion made by Ryan Dulude and seconded by John McSoley, the Committee voted to approve the minutes of the May 22, 2023, Committee meeting, as presented.

Public Comment

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

External Auditor FY23 Financial Statements and Uniform Guidance Audit Results

CliftonLarsonAllen (CLA) auditors Jim Piotrowski, CPA, CGFM, Principal, and Erin Byerly, CPA, Manager, presented the previously distributed Auditor Communications to the Audit Committee.

- *Financial Statements* – Jim Piotrowski stated that with the finalization of the financial statements, CLA is expected to issue an *Unmodified* opinion on the financial statements.
- *Uniform Guidance Audit* – Erin Byerly explained that the Federal Family Education Loan Program (FFELP), TRIO Cluster, and Medical Assistance Program were the three major programs audited as part of Uniform Guidance Reporting. She announced that CLA is expected to issue an *Unmodified* opinion on the compliance with the requirements of each major program and an *Unmodified* opinion on the Schedule of Expenditures of Federal Awards

(SEFA). There was discussion on the two audit findings noted in the Uniform Guidance Report.

- *Required Auditor Communications* – Jim Piotrowski reviewed the required Audit Communications, noting that there were no significant audit adjustments and no unrecorded audit adjustments.

Upon a motion made by Ryan Dulude and seconded by Mike Pieciak, the Committee voted unanimously to recommend that the Board accept the FY23 External Audit Report and Uniform Guidance Report, as presented.

Jim Piotrowski and Erin Byerly exited the meeting at 12:58 p.m.

2022/2023 Form 990 Review

The Committee transitioned to the review of the previously distributed Form 990, prepared by Bruce Hicken. Bruce noted that the form represents only the Vermont Student Development Fund, Inc., a wholly owned subsidiary of VSAC. Bruce reviewed the form with the Committee and responded to member questions, confirming that the form would be filed after it has been provided to the full Board in October.

Upon a motion made by Ryan Dulude and seconded by Mike Pieciak, the Committee voted unanimously to approve the 2022-2023 Form 990 for submission, as presented.

Internal Audit Status Report

Laurie Oliver directed the Committee to the previously distributed Internal Audit & Risk Management Status Report. Laurie announced that Internal Audit conducted a review of the 802 Opportunity Grant, which completed the FY23 Audit Plan. Laurie noted that, since the last Audit Committee meeting in May, Internal Audit is finalizing its work on several projects that were implemented or are in the final stages of implementation, including the end of the payment pause period for defaulted FFEL borrowers, the LIBOR to SOFR transition, and cosigner release. Laurie noted that Internal Audit also completed a data analysis associated with the MOVEit cyber event at the National Student Clearinghouse to facilitate the notification to impacted customers.

Laurie provided an update on the NY Student Loan Servicer exam, noting that the final exit meeting has not yet been scheduled.

The Committee discussed the Internal Audit Status Report and Laurie Oliver and the Executive Committee responded to questions.

FY24 Proposed Internal Audit Plan

Laurie Oliver presented a draft of the FY24 proposed Internal Audit Plan, previously distributed. Laurie pointed out that the proposed plan covers the period from July through December 2023. Another risk assessment will be conducted in the coming months as more information becomes available specific to the pending transitions and any staffing implications. An updated plan will be provided at the January meeting. The Committee engaged in a conversation about the plan and Laurie responded to questions.

Upon a motion made by Ryan Dulude and seconded by Mike Pieciak, the Committee voted unanimously to approve the proposed FY24 Internal Audit Plan, as presented.

Risk Management Update – Information Security Risk

Patrick Leduc updated the Committee on current information security risks, including updates on cyber security and additional controls, security trainings, and tools that have been implemented and are planned to further reduce this risk.

The Committee discussed the information security risk and Patrick Leduc responded to questions.

Audit Committee Self-Evaluation

John McSoley noted that he completed the evaluation and mailed it to Committee members. He asked members to review the evaluation and provide him with any comments or changes. He explained that once he receives feedback, he will submit the self-evaluation.

Other Business & Adjournment

There being no other business, the Committee adjourned at 1:51 p.m.

Respectfully submitted,

Tom Little
Assistant Secretary