# Internal Audit Committee Meeting

The Internal Audit Committee met on Wednesday, November 14, 2022, at 1 p.m. at the Brevard County Government Center, 2725 Judge Fran Jamieson Way, Viera, Florida, Building C, Florida Room, 3rd Floor.

**Committee Members Present**: Sam Lenck, Chair; Roberta Stoner; Mary Young. Absent: Brian Germain.

**Internal Auditors Present**: Jenifer Murtha; Laura Manlove; Rob Broline; Debbie Goode; Yvonne Clayborne; Christine Noll-Rhan; Jamie Bardee.

**County Staff Members Present**: Frank Abbate, County Manager; Christi Schverak, Assistant County Attorney; Jim Liesenfelt, Assistant County Manager; Virginia Barker, Natural Resources Director; Marc Bernath, Public Works Director; Eddie Fontanin, Utility Services Director; Tad Calkins, Planning and Development Director; Jill Hayes, Budget Director; Kathy Wall, Central Services Director; Karen Conde, Assistant to County Manager; Joy Roth, Administrative Assistant to County Manager.

Mr. Lenck called the meeting to order at approximately 1:00 p.m.

## **Approval of Minutes.** The minutes from the July 13, 2022, meeting were presented for approval. There were no changes or corrections. Ms. Young motioned to approve the minutes, seconded by Ms. Stoner. Motion carried unanimously.

## **Follow-up Report; Educational Facilities Impact Fees.** Ms. Clayborne presented the report. She explained the last item was tracking and testing of incoming reports from the 15 municipalities. County personnel is doing a 100% test of incoming information and reaching out to those municipalities when errors are found. They have not had any difficulties getting funds that are owed. She stated this item is closed.

## **Audit Report; a. American Rescue Plan Act.** Ms. Noll-Rhan presented the quarterly report and reviewed the procedures and results for the Recovery Plan, Quarterly Reporting and Expenditures, and Project Allocations.

Ms. Stoner asked, regarding moving the Emergency Operations Center building project under another category, why did management change it? Ms. Noll-Rhan explained it’s management’s discretion, the Lost Revenue Replacement category provides more flexibility if it’s not pension or debt.

Ms. Young questioned as we go forward with these quarterly reports, are you going to see any comments coming out of the County’s annual audit, there’s a possibility that this will be audited. Ms. Noll-Rhan explained it will be audited and the American Rescue Plan Act is required as a major act in that single audit process, therefore the external auditors will look at it. Ms. Noll-Rhan further explained they finished the testing for fiscal year 2022 and are drafting the next report.

Ms. Young asked if we will see that report at the next meeting. Ms. Noll-Rhan explained it will be at the next meeting and further noted there were no exceptions found regarding expenditures, procurement, or any unallowable costs.

Mr. Broline reiterated the testing is all complete and it’s just drafting the report.

Ms. Young asked if there is any idea of what the external auditors are doing with September 30? Ms. Noll-Rhan stated that she does not know if they have come in at this time or if they are doing any planning.

### **Audit Report; b. Half-Cent Sales Surtax.** Ms. Bardee presented the Fiscal Year 2022 report and reviewed the results for collections, expenditures, and procurement. She noted there were no exceptions in collections or revenue; however, expenditures had one administrative error, but no funds were misappropriated or erroneously expended.

Mr. Lenck asked if you continue to attend the Citizen’s Oversite Committee meetings? Ms. Bardee stated yes, we will be in attendance this Friday to present this report to the Committee.

### **Audit Report; c. FY 2023 Risk Assessment and Audit Plan.** Ms. Manlove presented the Internal Audit Plan and reviewed the proposed 2023 audits and the preliminary 2024 audits.

Ms. Young asked regarding the Utility Funding Increase, would this be more like a financial condition review that we used to have? Ms. Manlove explained it’s a little of both; little financial condition review and little bit of compliance with the assessment and how it’s collected, how it’s assessed, and how it’s used.

Mr. Abbate explained we have two small water plants, however, most of Utilities is dealing with a variety of wastewater treatment facilities and all the infrastructure in place, which is under constant preventative maintenance along with upgrades to various lift stations throughout the system.

Ms. Young asked if this is going to work hand-in-hand with the American Rescue Plan Act money? Mr. Abbate explained the $44 million, along with a prior tranche of funds are being made available for a variety of stormwater and utility projects which relates back to the lagoon.

Ms. Manlove reviewed the preliminary 2024 audit plan.

Ms. Young stated we have a lot of heavy activity in the support services area for the two years, so there were no items in the operations area that has any inherent risk, need, or could create an issue.

Ms. Manlove explained there are high risk areas across the entity, but it comes down to prioritizing resources of the internal audit function, conversations with Commissioners, and areas we would like to focus on. Ms. Manlove further explained they are not taking their eyes off areas that did not receive check marks and noted if they need to add or remove an item, they will have conversations with the County Manager, Commissioners, and the Committee.

Ms. Young stated what about the new Commissioners? Ms. Manlove explained they have an onboarding process for new Commissioners, and they will be meeting with them to introduce the internal audit function, explain the role and the plan. Ms. Young asked if the Commissioners do weigh in, would you let us know if they come up with an urgent item so that we can factor that in and address it? Ms. Manlove stated absolutely.

## **Scheduling of Committee meeting dates for 2023.** Mr. Abbate presented the proposed 2023 calendar dates for approval. The Committee discussed and approved the following meeting dates: February 22nd, May 24th, August 16th, and November 8th.

## **Other Business.** Ms. Stoner asked about the current state of the vacant committee members. Mr. Abbate explained the Public Information Officer sent out a press release requesting applicants for the two remaining appointments for this committee, and he will be following up with the Commission Districts who have vacancies.

Ms. Stoner asked if the citizen who sits on these committees must come from those districts? Mr. Abbate stated no, it’s up to the Commissioner to appoint whoever they choose. Discussion ensued regarding volunteering for this committee.

## **Public Comments.** No Public Comments.

Meeting was adjourned at approximately 1:24 p.m.