

Leon County Research and Development Authority
Audit Committee Meeting
Collins Building
2051 East Paul Dirac Drive
Tallahassee, Florida

November 9, 2020
3:00pm

Agenda

1. Call to Order
2. Agenda Modifications
3. Public Comment
4. Approval of the March 12, 2020, Audit Committee meeting minutes (*Attachment A*)
5. Review of Audit Committee Charter (*Attachment B*)
Review of audit committee role and responsibilities.
6. Audit Planning Discussion
Discussion of prior audit problems (if any), the audit schedule, any changes in operations and procedures, special audit risks, potential issues identified by accounting staff and management, and or any other pre-audit concerns by the Audit Committee or the auditor.
7. Audit Schedule (*Attachment C*)
8. New Business
9. Adjourn

Leon County Research and Development Authority
Audit Committee Meeting
Knight Administrative Centre
2051 East Paul Dirac Drive
Tallahassee, Florida 32310

March 12, 2020
11:00am

Draft MINUTES

Members in Attendance: Dave Ramsay (Chair), Keith Bowers, Kristin Dozier, Eric Holmes.

Members Not in Attendance: April Salter.

Guests: Kristy Bennett, Anna Carr (NAI Talcor); Allison Harrell (Thomas Howell Ferguson, PA, CPAs), Ron Miller, Peggy Bielby (LCRDA staff).

1. Call to Order

Chair Dave Ramsay called the meeting to order at 11:00am.

2. Agenda Modifications

Ron Miller provided a supplement to the Agenda: "Request for Proposals: RFP 20-01 Professional Auditing Services" to be addressed under Item 8 "New Business."

3. Public Comment

None.

4. Approval of the Audit Committee Meeting Minutes:

Eric Holmes offered a motion to approve the November 4, 2019 meeting minutes. Kristin Dozier seconded the motion, which passed unanimously.

5. Audit Presentation and Discussion

Allison Harrell reviewed the Draft Financial Statements and Draft Report to Those Charged with Governance. She reported that the auditors encountered no difficulties or restrictions in conducting the audit. There were no disagreements between the Authority's management and the independent auditors in the preparation of the financial statements. There were no significant changes or weaknesses in financial reporting practices of the Authority's internal control systems. The auditors had no recommendations for improvements in the financial policies, procedures, or practices of the Authority.

6. Audited Financial Statements for Fiscal Year 2018-2019

Allison Harrell presented the auditor's report and offered an unmodified opinion, which is the highest level of assurance that can be given on a set of audited financial statements. She reviewed the Statements of Net Positions; Statements of Revenues, Expenses, and Changes of Net Position; Statements of Cash Flows; and the Notes to the Financial Statements and other Required Supplementary Information.

Keith Bowers offered a motion to recommend that the Board approve the Draft Audited Financial Statements for fiscal year 2018-2019. Eric Holmes seconded the motion, which passed unanimously.

7. Auditor Contract

The current contract with Thomas Howell Ferguson (THF) states in part:

“The Auditor shall conduct an audit of the financial statements of the LCRDA for the fiscal years ending September 30, 2017, September 30, 2018, and September 30, 2019...This Agreement can be extended by LCRDA for up to two (2) additional 2- fiscal year terms by giving at least sixty (60) days written notice prior to the end of the fiscal year of the then expiring term. This Agreement is subject to annual review by the LCRDA.”

Staff request the Committee’s recommendation to the Board regarding extending the agreement with THF or beginning a new procurement process.

Allison Harrell noted that under the terms of the agreement the fee for the fiscal year ending 2020 would be \$17,500, and the fee for the fiscal year ending 2021 would be \$18,000.

After discussion Keith Bowers offered a motion to recommend to the Board that it retain Thomas Howell Ferguson for two additional fiscal year terms. Eric Holmes seconded the motion which passed unanimously.

8. New Business

Ron Miller provided RFP 20-01 for approval in the event the Executive Committee and/or Board does not accept the Committee’s recommendation to retain Thomas Howell Ferguson.

Eric Holmes offered a motion to recommend approval of RFP 20-01. Keith Bowers seconded the motion which passed unanimously.

9. Adjourn

The meeting adjourned at 11:40am

Next Audit Committee Meeting:

TBD

LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY AUDIT COMMITTEE CHARTER

A. PURPOSE:

The primary purpose of the Audit Committee is to assist the Leon County Research and Development Authority (LCRDA) Board of Governors and management in fulfilling its financial and fiduciary responsibilities. In fulfilling that purpose, the Audit Committee shall oversee the processes that the LCRDA establishes in maintaining effective control systems for accounting and financial reporting.

Therefore, the Audit Committee shall:

Oversee the processes used to:

- i) assess the Authority's internal control environment, and
- ii) to identify, evaluate, and mitigate the associated risks;

Monitor the financial reporting process; and

Oversee the external audit and internal review processes.

B. COMMITTEE MEMBERSHIP:

The Audit Committee shall be comprised of not less than three members of the Board of Governors, appointed by the Chairman of the Board of Governors. The Chairman of the Board shall appoint a member to serve as Chair of the Audit Committee.

C. COMMITTEE RESPONSIBILITIES:

To fulfill its responsibilities, the Audit Committee shall:

General Responsibilities:

- Provide avenues of communication among the Board of Governors, the Executive Director, and the independent auditors.
- Review the Audit Charter at least annually, and make recommendations for modifications, if any, to the Board of Governors.
- Review the report of the independent auditors, including any recommendations for improvements in the Authority's financial management or practices.

Internal Control Systems:

- Review the adequacy and effectiveness of internal controls over the financial accounting and reporting systems.
- Receive reports from management, and the independent auditors regarding the adequacy of the Authority's financial accounting and reporting policies, procedures, and practices.
- Oversee the investigation and disposition of any suspected cases of fraud or irregularity. Ensure that appropriate actions are taken to strengthen the Authority's administrative or financial practices, where necessary.

Financial Reporting Processes:

- Review the Authority's annual financial statements.

Independent Auditors:

- Recommend to the Board of Governors the selection of the independent auditors.
- Review the performance of the independent auditors, including the adequacy of the audit scope and audit plan.
- Continually evaluate the independence of the independent auditors.
- Periodically meet with management and the independent auditors to discuss:
 - Difficulties or restrictions encountered in conducting the audit;
 - Disagreements between management and the independent auditors in the preparation of the financial statements;
 - Significant changes in financial reporting practices or the Authority's internal control systems; and
 - Recommendations for improvements in the financial policies, procedures, and practices of the Authority.

D. COMMITTEE MEETINGS:

The Audit Committee shall meet at least twice annually, but more frequently if circumstances warrant. A majority of members of the Committee constitute a quorum for meeting purposes. To foster open and effective communication, the Audit Committee shall meet at least annually with management and the independent auditors.

The meeting shall operate in accordance with Robert's Rules of Order. Minutes of Audit Committee meetings shall be prepared, distributed to the Board of Governors and management and be made available and retained in accordance with the public records laws in the state of Florida.

The Audit Committee Charter is effective as of October 1, 2010.

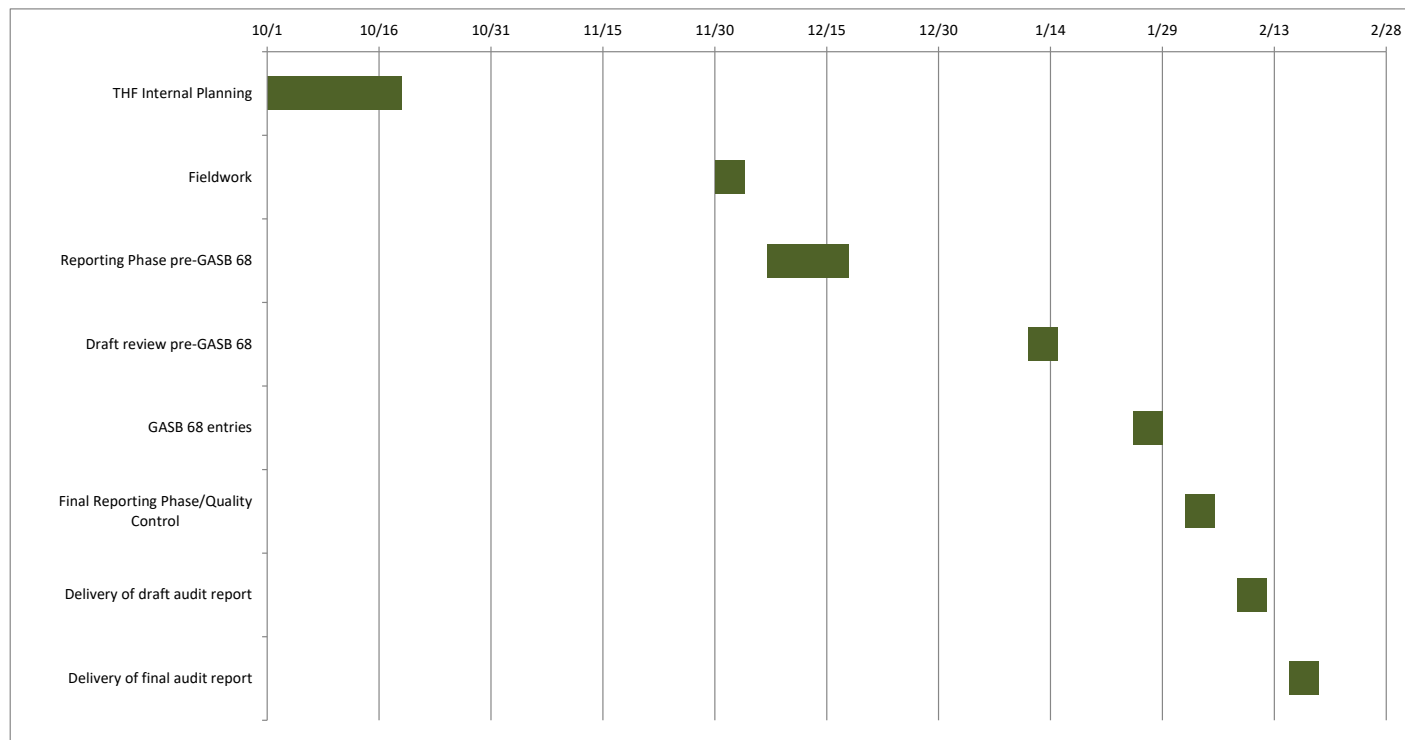
Amended by the Audit Committee on November 5, 2012, and approved by the Board on November 19, 2012.

AUDIT TIMELINE

Leon County Research and Development Authority

The following audit timeline has been discussed and agreed upon by Thomas Howell Ferguson and management. Changes to this audit timeline by management may result in additional fees, change in audit engagement team or affect Thomas Howell Ferguson's ability to meet the required delivery date.

	Start Date	End Date		
THF Internal Planning	10/1/2020	10/19/2020	Final date to notify THF of changes to fieldwork start date without penalty is	11/13/2020
Fieldwork	11/30/2020	12/4/2020		
Reporting Phase pre-GASB 68	12/7/2020	12/18/2020		
Draft review pre-GASB 68	1/11/2021	1/15/2021		
GASB 68 entries	1/25/2021	1/29/2021	PBC documents to THF	11/13/2020 - 11/20/2020
Final Reporting Phase/Quality Control	2/1/2021	2/5/2021	Pre-Audit meeting with Audit Committee Date	11/9/2020
Delivery of draft audit report	2/8/2021	2/12/2021	Post-Audit meeting with Audit Committee Date *	2/22/2021
Delivery of final audit report	2/15/2021	2/19/2021		



44105

Thomas Howell Ferguson
CLIENT NAME & Signature

10/19/2020

Date

Lugh Jenkins
Audit Manager & Signature

10/19/2020

Date

* Audit committee meeting dates are tentative.
Delivery of draft audit report must be made at least 8 days before post-audit committee meeting date.