



THE HONORABLE
GWEN MARSHALL

CLERK OF THE CIRCUIT COURT AND COMPTROLLER

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DIVISION OF INTERNAL AUDITING

LEON COUNTY AUDIT ADVISORY COMMITTEE MEETING

April 3, 2025

2:00 P.M.

MINUTES

Committee Members Present: Nancy Shepherd, CPA, CIA, CRMA, Chair
Ted Sauerbeck, CPA, Vice Chair
Jeffrey Caines, CIA, CFE, CGAP
Cynthia Hefren, CIA, CISA, CIG, CIGI

Clerk Staff Present: Gwen Knight, Clerk of Court
Ken Kent, Deputy Clerk of Court
Kimberly Ferree, Internal Audit Manager
Travis Stephens, Interim Finance Director

Item 1: Meeting Called to Order and Approval of January 9, 2025, Meeting Minutes – Nancy Shepherd, CPA, CIA, CRMA, Chair

Nancy Shepherd, Chair recognized the quorum with four of the five Committee members being present and called the meeting to order at 2:01 p.m. Committee member Valerie Peacock, CFE, CIA, CIG, CIGA, CISA was absent. Approval of the January 9, 2025, minutes was tabled until the next regularly scheduled meeting on July 10, 2025.

Item 2: Clerk's Comments - Gwen Knight, Clerk of the Circuit Court and Comptroller

The vacant internal auditor position has been filled by Robert Meadows. He will be getting his CIA, and stated he was not in attendance today because he was at IIA training. Clerk Knight was glad the department is now fully staffed. Internal Audit will evaluate the status and work on the annual work plan. Good progress has been made on closing out old issues.

Clerk Knight also mentioned internal audit has been working on updating manuals and procedures for the new Global Internal Auditing Standards and has made good progress and will continue to work on that to finalize the remaining items. Nancy Shepherd asked if the BoCC had read the proposed Internal Audit Charter. Clerk Knight indicated they would receive the information once it was finalized.

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Nancy indicated it would be a good idea to give the BoCC and senior management a presentation on the new Global Internal Audit Standards to give them an overview of the Standards. Cynthia Hefren stated that the IIA website has presentations already available to use. Jeffrey Caines indicated his office used these presentations to provide the information to their board/management. Clerk Knight asked for confirmation that both the BoCC and senior managers should receive these presentations. Cynthia Hefren confirmed they should both receive a presentation and Nancy Shepherd agreed.

Item 3: Introduction of Internal Auditor – Kimberly Ferree, Internal Audit Manager

Nancy Shepherd asks if the introduction needed to be tabled until next meeting since Robert Meadows was not in attendance. Kimberly Ferree provided a general introduction of Robert's education and his past work experience.

Item 4: Auditor Rotation and Independence In Fact Procedure Review – Kimberly Ferree

Kimberly Ferree indicated due to the discussion at the prior meeting regarding the rotation of the external auditor vendor, she had gone back to review the requirements of rotation and review at a high level what the firm stated their procedure was for independence in fact. The response from the vendor was included in the material. Kimberly Ferree stated that it would be good to recommend to the BoCC to update their competitive bid procedures to require a rotation component for the external auditor vendor. Ted Sauerbeck also suggested that their policy also include documentation to confirm the rotations on the audit.

Ted Sauerbeck indicated that their response did not have any specific dates or years for the rotations. It was recommended those dates be requested for this record, which Kimberly Ferree indicated she would request they provide an update to their response. Ted Sauerbeck also recommended that going forward we ask them for documentation on how they are rotating their staff on the audits. He indicated this could be requested when paying the invoice.

Ted Sauerbeck stated he has begun performing a review and will be doing more work in this area. Ted Sauerbeck also indicated that independence in appearance is also important on this issue. At the conclusion of that review he will present to the Committee his findings and recommendations for consideration.

Item 5: Q2-2025 Budget to Actual Variance Report – Kimberly Ferree

Kimberly Ferree indicated 8 corrective action plans (CAPs) were closed and 5 are open. Work on these CAPs has been valuable to help determine other areas to focus on in the cash collections process.

Kimberly Ferree discussed the new DAVID contract and its contract requirements. Clerk Knight and Deputy Clerk Kent described what the system is and how it is used by the Clerk's office. Kimberly Ferree stated advisory services will be held with the Clerk's contract staff as a kick off meeting on the new contract requirements.

Kimberly Ferree gave an overview of the audit plan assignment status, the CPE status, the complaints received via the hotline, and the projects that she will be working such as the quality assessment improvement plan, the fraud policy, etc.

Action Items:

Item 6: Internal Audit Charter – Nancy Shepherd

Discussion of the Internal Audit Charter included Ted Sauerbeck requesting clarification for what is considered the Board, the Senior Management, and who is the Chief Audit Executive (CAE) and whether the Clerk was considered Senior Management. Ted Sauerbeck stated further research is needed and offered proposing the question to the IIA for clarification. The discussion noted suggestions to be made would include adding definitions to the document about who is the Board, Senior Management, CAE; correct the changing references regarding the Clerk in the document; adding the ability for the IAM to meet with the board separately from the Clerk; having unrestricted access to all records, information, and personnel, etc. Ted Sauerbeck stated he would send Kimberly Ferree an edited version that included all the Committee members edits.

Cynthia Hefren suggested using the IIA template as another option for this document which would cover all of the areas discussed. Kimberly Ferree suggested that since the Clerk is no longer at the meeting this should be tabled until the next meeting so all signatory parties are present for the discussion and approval of the changes made to the proposed document. The Internal Audit Charter was tabled until the next meeting.

Ted Sauerbeck discussed the name of the audit advisory committee and made an argument for removing the term advisory from the committee name, which affects the charter and the bylaws. Ted Sauerbeck stated it should be called audit committee like it is stated in the Leon County Charter. Nancy made a motion to remove the word advisory from the audit committee title, Cynthia Hefren seconded the motion and the four

members voted unanimously to pass the recommendation to remove advisory from the title.

Item 7: Audit Advisory Bylaws – Nancy Shepherd

Discussion of the Audit Advisory Committee Bylaws made the suggestion to remove advisory from the audit committee title and some minor issues in the document. Ted Sauerbeck stated he would send the update out to all and the approval of the document was tabled until next meeting for everyone to consider the changes.

Report:

Item 8: Status on New IIA Standards and Implementation – Kimberly Ferree

Kimberly Ferree discussed which documents had been completed and which ones were still being worked on when updating the manuals and procedures for the new Global Internal Auditing Standards.

Item 9: Update of FY 2023-24 Financials – Travis Stephens, Interim Finance Director

Travis Stephens gave an overview of the audit status which is still ongoing. External auditors are working on BoCC records. The Clerks audit is in draft report stage with two findings regarding bank reconciliations and journal entries and adjustments. Discussed staffing, treasury position is still vacant and new finance director will be starting on April 14.

Other Business & General Discussion – Nancy Shepherd

None

Adjournment: - Nancy Shepherd

There being no further business, the meeting was adjourned at 4:02 p.m.