

Minutes

VSAC Audit Committee Meeting

September 16, 2024
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, Michael Smith

Committee Members Absent: N/A

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, Tom Little, Patrick Leduc, Meghan Metzler, Laurie Oliver, Bruce Hicken, Brad Fallon

Chair John McSoley called the meeting to order at 12:30 p.m. With a quorum established, the Committee took up the first order of business.

Approval of May 20, 2024, Minutes

Upon a motion made by Mike Smith and seconded by Mike Pieciak, the Committee voted to approve the minutes of the May 20, 2024, Committee meeting, as presented.

Public Comment

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

External Auditor FY 2024 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. Jim Piotrowski reviewed the Independent Auditor's Report and Erin Byerly provided an overview of the draft Financial Statements. Jim concluded that they expect the final report opinion will be 'Unmodified', which is the best opinion available, and he spoke about the remaining steps before the final report is issued. Jim and Erin commented on the increased efficiencies gained in the second year of the engagement and complemented the VSAC staff who are involved in the audit preparation and process.

Jim also gave an update on the status of the Single Audit report which will be issued separately once the auditors have reviewed the Lender Servicer Exam report from the Pennsylvania Higher Education Authority, associated with the servicing compliance over VSAC's FFEL portfolio, expected sometime in November. The Single Audit report is not due until March 31, 2025.

The Auditors entertained questions from the committee.

The Committee continued to meet with only the CLA Auditors and Scott Giles.

Ryan Dulude joined the meeting at 1:09 p.m.

Jim Piotrowski and Erin Byerly exited the meeting at 1:10 p.m., at which time the other VSAC staff rejoined.

2023-2024 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.

Upon a motion made by Mike Smith and seconded by Mike Pieciak, the Committee voted unanimously to recommend that the Board accept both the FY24 Financial Statements External Audit Report and the FY24 Form 990, as presented.

Internal Audit Status Report

Laurie Oliver directed the Committee to the previously distributed Internal Audit & Risk Management Status Report. Reviewing that there are no current external audit activities and spoke about the current internal audit projects and reporting. This also included a status update on other state servicer exams and registration activity and status of open findings.

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

FY25 Proposed Internal Audit Plan

Laurie Oliver presented a draft of the FY25 proposed Internal Audit Plan, previously distributed. Laurie reviewed the plan's corporate, regulatory and risk-based categories including planned work within each. She also said she will provide an update in the January meeting on the changes to the *Global Internal Audit Standards*. Laurie responded to a few questions from the Committee.

Risk Management Update – Information Security Risk

Patrick Leduc updated the Committee on current information security risks, including updates on the July CrowdStrike incident, cyber security practices, testing, and trainings.

Audit Committee Self-Evaluation

John McSoley had Committee members complete and discuss their self-evaluation without staff in the room.

Other Business & Adjournment

There being no other business, the Committee adjourned at 1:55 p.m.

Respectfully submitted,

Tom Little
Assistant Secretary

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