



THE HONORABLE  
Gwen Knight

Clerk of the Circuit Court and Comptroller  
Clerk of Courts \* County Comptroller \* Auditor \* Treasurer \* Recorder

DIVISION OF INTERNAL AUDITING

## AUDIT ADVISORY COMMITTEE MEETING MINUTES

2:00 p.m. – 4:00 p.m., Thursday, January 22, 2026

Finance Conference Room – 315 Calhoun Street, 7th Floor

### MEMBERS:

Nancy Shepherd, Chair, CPA, CIA, CRMA (absent)

vacant, Vice Chair

CISA Jeffrey Caines, CIA, CFE, CGAP

Valerie Peacock, CFE, CIA, CIG, CIGA,

Cindy Welter, CIG, FCCM

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### Opening:

#### Call to Order and Roll Call:

Kim Ferree, Internal Audit Manager, called the meeting to order and noted that Clerk Knight had another meeting and hoped to be able to make it if time allowed, and **Item 2 Clerk's Comments** may not be available for this meeting.

Additionally, she advised the Audit Advisory Committee members present that Nancy Shepherd had notified the Audit Advisory Committee via email that she would be unable to attend the meeting as she was out of town caring for sick relatives.

Kim Ferree stated that the meeting was the Audit Advisory Committee's annual organizational meeting, which is held each January and includes the distribution of membership packet materials, which includes the review of organizational materials, the annual review of the Division of Internal Auditing Charter and Audit Advisory Committee Bylaws, and the election of Audit Advisory Committee officers.

A roll call was conducted and three members were present, establishing the quorum.

### **Item 1: Approval of the November 13, 2025 Meeting Minutes**

The Audit Advisory Committee moved to approval of November 13, 2025, meeting minutes. After confirming that there were no comments or corrections from the members,

*Valerie Peacock moved, seconded by Jeffrey Caines, to approve the November 13, 2025, Audit Advisory Committee Minutes.*

*The motion passed unanimously.*

### **Item 3: Welcome Members**

Kim Ferree returned to the formal agenda and provided a general explanation of what the clerk typically presents during the organizational meeting. This usually includes an overview of the Clerk's organizational structure and the relationship between the five constitutional officers, along with how financial information is consolidated into the County's Annual Comprehensive Financial Report (ACFR). She noted that the financial statement preparation process was currently ongoing. The Clerk's financial statement portion of the ACFR had largely been completed, while work continued on the Board of County Commissioners' portion.

Kim Ferree noted Kim Wilder, Finance Director, could provide an update at a future meeting regarding the status of the financial statements. She also mentioned that the Clerk's office continues to pursue improvements in operational efficiency, including evaluating software systems and other tools.

### **Item 4: Annual Membership Packet Materials**

The Audit Advisory Committee then moved to the Annual Membership Packet materials. Kim Ferree indicated that items 4.3 proposed Division of Internal Auditing Charter and 4.5 proposed Audit Advisory Committee Bylaws are actionable items that will need a motion to be approved by the Audit Advisory Committee.

#### **Division of Internal Auditing Charter**

Kim Ferree stated the Audit Advisory Committee had previously engaged in numerous discussions regarding the Division of Internal Auditing Charter revision in past meetings. She described how she initially attempted to convert the existing Division of Internal Auditing Charter into the new Global Internal Auditing Standards (Redbook) framework, which required significant effort and multiple revisions from Audit Advisory Committee member suggestions before it was suggested at a prior Audit Advisory Committee meeting to use the Institute of Internal Auditing (IIA) template.

Then the Division of Internal Auditing Charter using the IIA template had been brought back to the Audit Advisory Committee, and it was then noted by some members at the prior meeting that additional language should be added to address the internal audit function in the public sector where the internal audit function is governed under a legal framework specific to the jurisdiction that the audit function operates. Kim Ferree confirmed the Audit Advisory Committee's understanding that the new Redbook standards recognize that internal auditors in the public sector work in a political environment under governance, organizational, and funding structures that differ from the private sector and is affected by the jurisdiction and level of government that the internal audit function operates in.

Kim Ferree indicated that the Redbook recognizes that the public sector is founded on and governed under a legal framework that includes laws, regulations, administrative orders and rules, and other types of governing requirements specific to how an organization operates. The Redbook uses the term “laws and/or regulations” to represent the legal framework that establish the mandate, organizational position, reporting relations, scope of work, funding, and other requirements of the internal audit function.

Kim Ferree stated the proposed Division of Internal Auditing Charter in item 4.3 includes the additional language for the special situation the Clerk has as it relates to her Constitutional duty of being the auditor and the deviation from the standards as allowed by the Redbook regarding governance and organizational structure independence for entities in public sector. She indicated the disclosure update to the Division of Internal Auditing Charter incorporated the language used in the Redbook standards.

Further, she indicated that she had recently attended an IIA local chapter meeting and their guest speaker, who advises on IIA requirements and the new Redbook implementation, stated the same and noted the required disclosure should be included in the Division of Internal Auditing Charter language.

Kim Ferree indicated that the work on the Division of Internal Auditing Charter update process had delayed the implementation to the new Redbook standards approximately two years after its effective date. She informed the Audit Advisory Committee they should anticipate requesting two separate motions later in the meeting, one addressing the proposed Division of Internal Auditing Charter revision and the other addressing the proposed Audit Advisory Committee Bylaws revision.

*Valerie Peacock moved, seconded by Jeffery Caines, to approve the proposed Division of Internal Auditing Charter.*

*The motion carried unanimously.*

#### Audit Advisory Committee Bylaws

Kim Ferree directed members to Items 4.4 and 4.5 of the packet materials, which contained the existing Audit Advisory Committee Bylaws and the proposed Audit Advisory Committee Bylaws revision. The proposed changes were designed to clarify the Audit Advisory Committee’s functional responsibilities. The Internal Audit Manager explained that the language had been revised to better describe the Audit Advisory Committee’s administrative and oversight roles rather than focusing narrowly on tasks such as minute-taking.

Another key revision addressed the Audit Advisory Committee’s meeting schedule. Previously, the Audit Advisory Committee Bylaws required four meetings per year. Kim Ferree explained that the external financial statement auditors issued a verbal management comment finding for the FY 2024 audit cycle because the Audit Advisory Committee had only held three meetings during the 2024 calendar year. It was noted that during the 2024 calendar year the Division of Internal Auditing had vacant staff positions, including the Internal Audit Manager position, so no Internal Audit activity was occurring. Kim Ferree stated she considered this finding unreasonable because there was no operational need for Audit Advisory Committee meetings when no Division of Internal Auditing staff were in place. As a result, the Audit Advisory Committee Bylaws were revised to allow up to four regular meetings per year rather than mandating four meetings.

Kim Ferree stated additional changes addressed member attendance. The prior language stated that members missing two regularly scheduled meetings during the calendar year, regardless of the reason for the absence would be terminated and removed by the Audit Advisory Committee Chair for noncompliance with the Audit Advisory Committee Bylaws. The Internal Audit Manager noted that Audit Advisory Committee members often have other professional commitments, continuing education requirements, and other obligations that could conflict with the regular meeting dates. To accommodate these realities, the Audit Advisory Committee has occasionally rescheduled meetings to ensure member participation. The proposed Audit Advisory Committee Bylaws revision allows for excused absences and limits termination of members to unnotified absences of two regular scheduled meetings during the calendar year that results in the cancellation of the meeting due to a lack of having a quorum for the meeting. The Internal Audit Manager schedules the dates and organizes the meeting for the benefit of the Audit Advisory Committee.

The proposed Audit Advisory Committee Bylaws also clarifies how special meetings can be called. The current version allowed for special meetings to be called but did not provide any guidance as to when they should be called or the reasons for their use. Kim Ferree emphasized that preparing for meetings requires substantial administrative work on her part which at a minimum includes assembling materials and documentation, ensuring proper notice of the meeting, etc. For the labor burden reason, the proposed Audit Advisory Committee Bylaws revision was updated to call a special meetings only in the advent of urgent and unforeseen circumstances which requires the attention of the Audit Advisory Committee, rather than calling a special meeting as a continuation of topics discussed or continued from a previously held regular meeting. Kim Ferree stated tracked changes had been provided in the packet materials for review and that the Audit Advisory Committee should consider a motion to adopt them later in the meeting.

*Valerie Peacock moved, seconded by Cindy Welter, to approve the proposed Audit Advisory Committee Bylaws.*

*The motion carried unanimously.*

#### Meeting Schedule and Contact List

Kim Ferree then reviewed Item 4.6 of the packet materials, which contains the proposed meeting schedule for the year. She explained that when the meetings are being prepared and getting ready for public notice, she emails members to confirm their availability before advertising the tentative meeting dates and these tentative meeting dates may move based on the availability of the Audit Advisory Committee members.

One member noted that the schedule did not appear to include a meeting late in the year. Kim Ferree clarified that the Audit Advisory Committee's cycle operates on a calendar-year basis, while the audit plan operates on a fiscal-year basis. As a result, the final meeting would typically occur in October, with scheduling adjustments sometimes necessary depending on audit timelines. The Audit Advisory Committee members discussion indicated they generally agreed to with the tentative regular meeting dates.

The Audit Advisory Committee then discussed the contact list contained in Item 4.7. Kim Ferree noted that she had updated the list to include a prospective member, Mayana, who had initially received verbal authorization that her appointment would likely be approved by her agency, but

they wanted to verify any possible conflicts of interest with their General Council prior to giving her the final approval. At the time of this meeting, Mayana's agency had not yet completed its clearance process. As a result, Kim Ferree asked Mayana to decline the appointment for now and indicated that she could be reconsidered for a future appointment.

Kim Ferree added that several other individuals have expressed interest in serving on the Audit Advisory Committee, so there would be multiple candidates to select from. Audit Advisory Committee member Valerie Peacock mentioned other qualified individuals that she suggested would benefit the Audit Advisory Committee as well. Valerie Peacock indicated she could contact one of the suggested parties to gauge their interest and if interested she would let Kim know so materials about the appointment process could be forwarded to them.

During the contact list discussion, Valerie Peacock pointed out that the contact list included home addresses. Kim Ferree acknowledged this oversight and explained that earlier versions of the contact list had historically included such information. Recognizing that this could become part of the public record, Kim Ferree stated she would update the document so only their business contact information would be included and she would send the Audit Advisory Committee members the updated document.

#### Audit Advisory Committee Responsibilities and Division of Internal Auditing's Work Plan

Kim Ferree then reviewed Item 4.8, Checklist of Committee Oversight Responsibilities which outlines the Audit Advisory Committee's responsibilities. These responsibilities include confirming meeting minutes, receiving updates on current internal audit assignments and updates needed on the annual audit plan, reviewing state-related developments affecting the Clerk's office, and addressing new business as needed.

Additional Audit Advisory Committee responsibilities include monitoring progress on the annual audit plan, receiving presentations from external auditors after their work is completed, and periodically reviewing the adequacy of the Division of Internal Auditing's Charter and the Audit Advisory Committee's Bylaws. To meet professional standards, the internal audit manager stated the Audit Advisory Committee formally reviews both the Division of Internal Auditing's Charter and Audit Advisory Committee's Bylaws each year during the January organizational meeting.

The Audit Advisory Committee also reviews and approves the annual internal audit work plan at the first meeting of each audit cycle that generally will occur in October or November each year.

#### Ethical Standards and Sunshine Law Overview

Kim Ferree referred the Audit Advisory Committee members to the balance of the Items 4.9-4.12 of the membership packet materials, which summarizes the standards of conduct applicable to Audit Advisory Committee members. These standards align with the ethical requirements governing state employees and public officials. The Items also provides a brief overview of Florida's Sunshine Law, reminding Audit advisory Committee members that meetings, deliberations, and communications related to Audit Advisory Committee business must comply with the state's open government requirements.

#### **Item 5: Annual Election of Chair and Vice Chair**

### Election of a Chair

*Jeffrey Caines moved, seconded by Cindy Welter, to nominate Valerie Peacock, as Chair of the Audit Advisory Committee.*

*The motion carried unanimously.*

### Election of a Vice Chair

*Valerie Peacock moved, seconded by Jeffrey Caines, to nominate Cindy Welter, as Vice Chair of the Audit Advisory Committee.*

*The motion carried unanimously.*

### **Item 6: FYE 2026 Budget to Actual Variance Report**

Kim Ferree referred the Audit Advisory Committee members to Item 6 FYE 2026 Budget to Actual Variance Report and provided an update on the current audit projects that had engagement letters issued to work on the a review of fixed assets, which is also coupled with the FY 2024 financial statement CAP monitoring which also has fixed assets findings, and the audit of procurement card (P-card) usage. The Audit Committee Members did not have any comments on the current status. Jeffrey Caines provided some good suggestions for criteria on the P-card audit, which Kim Ferree indicated she would check the workpapers to see if we had coverages on these suggested areas.

Kim Ferree also described the process for internal audit reporting. Audit Advisory Committee members receive copies of all final audit reports. If an audit concerns the Board of County Commissioners' function, the report is also provided to the Board of County Commissioners as well as their senior management. If the audit pertains solely to the Clerk's operations, it is circulated within the Clerk's office.

### **Adjournment**

With no further business, the meeting was adjourned at 2:38 p.m.