

**Minutes**  
**Audit Committee Meeting**  
**December 23, 2015**

A meeting of the State Board of Administration (SBA) Audit Committee (Committee) was held at 10:00 A.M. on December 23, 2015, in the Hermitage Room at the Hermitage Centre, Tallahassee, Florida.

**Members Present:** Judy Goodman, Chair  
Kimberly Ferrell, Vice-Chair (via conference call)  
Mark Thompson, Member (via conference call)

**Other Attendees:**

Ash Williams, Executive Director & CIO, SBA (via conference call)

Lamar Taylor, Deputy Executive Director, SBA

Kathy Whitehead, Chief Operating/Financial Officer, SBA

Ken Chambers, Inspector General, Acting Chief Audit Executive, SBA

Karen Chandler, Chief Risk & Compliance Officer, SBA

Robert Copeland, Operations -Accounting and Administrative Services, SBA

Lynne Gray, Senior Portfolio Manager-Principal Investments, Real Estate, SBA

Jennifer Williams, Procurement Manager, SBA

Randy Harrison, Director of Human Resources, SBA

Elizabeth Scott, Manager of Internal Audit, SBA

Kim Stirner, Manager of Internal Audit, SBA

Loveleen Verma, Manager of Internal Audit, SBA

Ronald King, Senior Audit Analyst III, SBA

Destin DuBose, Audit Analyst II, SBA

Kimberly Calhoun, Administrative Assistant, SBA

**CALL TO ORDER**

Ms. Judy Goodman called the meeting to order at 10:02 a.m.

**CHIEF AUDIT EXECUTIVE (CAE) POSITION DESCRIPTION AND PROCESS FOR SELECTING NEW CAE:**

Mr. Williams led the discussion concerning the CAE position description and the process for selecting a new CAE.

*Position Description:*

- Mr. Williams indicated the position description was revised to bring it more current. It was circulated to the Committee members via email. Mr. Thompson did not receive the email sent, so Mr. Williams and Mr. Taylor gave a high-level overview of the position description and noted that the major change was to include a CPA designation as a minimum requirement.
- Ms. Ferrell agreed with the position description and believed it was in line with what they would be looking for in a CAE.
- Mr. Taylor requested a motion to approve the revised CAE position description as written.
- The Committee approved CAE position description unanimously.

*Process for selecting the new CAE:*

- Mr. Williams suggested to include Audit Committee members in the selection process and to ultimately take the joint decision between the SBA and the Committee to the Trustees.
- Ms. Goodman asked about the logistics. Mr. Williams proposed that the position be advertised internally within the SBA, as the SBA has ample talent internally and this would enable the new CAE to hit the ground running as this person would already know the processes and standards of the SBA. This would avoid costs associated with a national search, including airfare, etc., and an internal process would also save time. This approach would further send a positive message to the SBA staff that they will be recognized for their work. A management committee, composed of SBA senior management, would scan the applicants and decide who merits an interview. The management committee would conduct interviews and recommend the final selection to the Committee for their approval prior to taking to the Trustees.
- The Committee unanimously approved the process for conducting an internal search for the CAE.

**REQUEST FOR QUOTE (RFQ) FOR SBA POOL OF AUDITORS**

- Mr. Williams and Mr. Taylor updated the Committee on the responses received to the RFQ for the SBA's Pool of Auditors. The SBA did not get the depth and breadth hoped for, as we only received seven responses from firms, which didn't include responses from certain firms who currently provide services to the SBA and/or

were in the current pool of auditors. Feedback from some of those firms indicated that the RFQ was too broad to warrant a response.

- Mr. Taylor explained that the OIA and SBA management discussed and researched how to stimulate more interest, and came to the conclusion that a more targeted RFQ process may be a better approach and gain more competition. It was noted that SBA is under no obligation to continue the search under the current RFQ for a pool of auditors.
- Mr. Thompson suggested using a national website/clearinghouse to obtain more responses and offered to provide the suggested website(s). The OIA managers concurred.
- A motion was posed to withdraw the RFQ for revision, and the Committee approved unanimously.
- The Committee and SBA management discussed the current services which will require an RFQ. These included the Florida Hurricane Catastrophe Fund (FHCF) financial statements audit, the Florida Retirement System (FRS) Trust Fund financial statements audit, and the FRS Investment Plan Trust Fund financial statements audit.
  - The Committee unanimously approved issuing a revised RFQ for each of the audit services discussed.
- The Committee unanimously approved extending the current KPMG contract for the FHCF financial statements audit for an additional year to align with the timing of the FRS audits.

ADJOURNMENT

The meeting adjourned at 10:37 A.M.

*Judy Goodman 2-22-16*

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Judy Goodman, Chair

February 22, 2016