

Internal Audit Committee Meeting Minutes

The Internal Audit Committee met on Wednesday, November 6, 2024, at 1 p.m. at the Brevard County Government Center, 2725 Judge Fran Jamieson Way, Viera, Florida, Building C, Florida Room, 3rd Floor.

Committee Members Present: Sam Lenck, Mary Young, Nancy Tomassone, Steve Simmons.

Internal Auditors Present: Laura Manlove, Jennifer Murtha, Rob Broline, Michelle Coppola.

County Staff Members Present: Frank Abbate, County Manager; John Denninghoff, Assistant County Manager; Jill Hayes, Budget Director; Becky Behl-Hill, Attorney; Virginia Barker, Natural Resources Director; Kathy Wall, Central Services Director; Jeff McKnight, Information Technology Director; Karen Conde, Assistant to County Manager; Keith Neterer, Budget Manager; Joy Roth, Administrative Assistant to County Manager.

Mr. Lenck called the meeting to order at approximately 1 p.m.

- I. **Approval of Meeting Minutes:** The minutes from August 21, 2024, meeting were presented for approval. There were no corrections or changes. Ms. Young motioned to approve the minutes, seconded by Ms. Tomassone. Motion carried unanimously.
- II. **Audit Report: Save Our Indian River Lagoon Half Cent Sales Tax.** Ms. Coppola presented the report and noted there were no exceptions in our testing during this audit period.

Mr. Lenck questioned if there is any positive impact being made on this project? Ms. Barker provided a handout to the Committee and gave a brief overview of the project progress.

Ms. Tomassone questioned how the remaining funds, the difference between total revenue collected and expenditures for this period are tracked, spent over the next 10 years, and what is the balance? Ms. Barker explained part of the expenditures are from SOIRL tax dollars, however, we also receive grants and use those funds first to the maximum extent we can, the total expenditures this fiscal year is around \$22 million and the remaining SOIRL tax dollars are in a trust fund and allocated towards projects approved in the plan.

Ms. Tomassone asked if those expenditures are subject to audit in some other review process. Ms. Barker stated yes. Ms. Coppola also explained if it's related to SOIRL expenditures then it could be something we are also reviewing.

Ms. Young said it doesn't have to be sales tax money? Ms. Barker explained they are auditing the expenditures of the program, some of which is sales tax and a large amount of invoices are actually paid by split funding. She further explained each invoice received is coded, a portion will be paid from the trust fund and the other portion will be paid from a grant, with some grants paying 100% of the cost.

Mr. Simmons asked if there is something that dictates what that split should be? Ms. Barker explained we are aggressive in going after funding sources and each program has its own rules and requirements.

Ms. Young stated the county spends restricted money first and any grant money received is spent first versus the sales tax money that is restricted but you have a longer

timeline. Ms. Barker stated yes, however, if a grant has a 50 / 50 match requirement, then we will spend it on each invoice received.

Ms. Young said there is a number of different projects and different approaches but the end goal is the clarity, seagrass, and parts per million so that's really the measurement that they are doing when they do water sampling, they look for parts per million and whether or not something else might be getting into the water so that we can shift the plan. Ms. Barker explained they are after load reductions, reducing excess nitrogen and phosphorus levels that feed algae blooms. She further explained algae blooms make the water unclear for seagrass to see the light and grow, and when those nutrients come in, they are soaked up by algae, by seagrass, by drift algae, and eaten by fish, they become part of the whole food web cycle and become hard to measure. If you just collect a sample of water and go measure it you may not get much nitrogen or phosphorus in the collection because the nitrogen and phosphorus was absorbed by the whole living ecosystem in the water, therefore looking at chlorophyll levels will show how much the water is blooming and the seagrass response, is actually a clearer indicator of how we are doing and whether we're heading in the right direction.

Ms. Coppola continued with the review and there were no further questions.

- III. **Risk Assessment and Audit Plan Review:** Ms. Manlove presented the Audit Plan and noted they have completed all the reports for Fiscal Year 2024. She noted they are in the process of executing a new Internal Auditing Service contract with the County and will begin the Risk Assessment process as soon as the contract is executed. Ms. Manlove stated this is good timing due to the new commissioners and we will be having risk assessment meetings and onboarding them to the internal audit process in the coming days. There were no questions.
 - IV. **Scheduling of Internal Audit Committee Meetings for 2025:** The Committee and Auditing team discussed and approved the following meeting dates for 2025: February 5th; May 21st; August 27th; and November 19th.
 - V. **Other Business:** No other business.
 - VI. **Public Comments:** No public comments.
- Meeting adjourned for the public at approximately 1:23 p.m.
- VII. **Closed Session per F.S. 119.0725(2) Cybersecurity Exemption.**