Minutes for Audit Committee Meeting

06/24/2024 | 08:00 AM - 08:30 AM - Eastern Time (US and Canada)
JAXPORT Executive Conference Room, 2831 Talleyrand Ave., Jacksonville, FL

Audit Committee Members Attending:

Ms. Wendy Hamilton, Chair
Mr. Palmer Clarkson, Member – via Zoom

Ms. Soo Gilvarry – Absent

Other Board Members Attending:

Mr. Daniel Bean, Board Chairman
Mr. Tom Slater, Board Member
Mr. Patrick Kilbane, Board Member

Other Attendees:

Mr. Eric Green, CEO
Ms. Beth McCague, Chief of Staff
Mr. Joey Greive, CFO
Ms. Linda Williams, Chief, Administrative Officer
Mr. Nick Primrose, Chief Regulatory Compliance
Ms. Chelsea Kavanagh, Sr. Director, Communications
Mr. Reece Wilson, Office of General Counsel
Ms. Rebecca Dicks, Board Liaison

A meeting of the Jacksonville Port Authority Audit Committee was held on Monday, June 24, 2024 in the JAXPORT Executive Conference Room, 2831 Talleyrand Avenue, Jacksonville, Florida. Chair Wendy Hamilton called the meeting to order at 8:00AM and welcomed all attendees.

Chair Hamilton noted that the Audit Committee could not achieve a quorum for this meeting due to the absence of Member Soo Gilvarry and the remote participation of Member Palmer Clarkson via Zoom. As a result, no votes would be taken on any items. However, discussion on the agenda items would proceed as planned.

Approval of February 26, 2024 Audit Committee Meeting Minutes

Due to the lack of a quorum, Chair Wendy Hamilton deferred the approval of the February 26, 2024, Audit Committee meeting minutes. This approval will be postponed until the next scheduled meeting on September 23, 2024.

Proposed Operating and Capital Budget for FY2025

Chair Hamilton turned the meeting over to Joey Greive who presented an overview of the Proposed Operating and Capital Budget for FY2025 to the committee.

Mr. Greive provided an overview of the final budget draft, highlighting the current status and recapping the steps the finance team has undertaken over recent months. He emphasized a significant change implemented this year at the board's request. During a thorough meeting with the board members, Mr. Greive meticulously reviewed each detail line by line, gathering various assumptions and projections that are now reflected in the budget presented to the committee.

Mr. Greive reported that a material change has been made to the budget since the last meeting. Specifically, the budget for dredge maintenance costs was increased to incorporate the board's feedback and to more accurately account for the rise in costs experienced over the past several years.

Mr. Greive informed the committee that JAXPORT’s FY25 budget was presented to the Mayor’s Budget Review Committee last week and it was well received. He stated that JAXPORT is scheduled to submit the budget to the City Council, after Board approval today, with a deadline of July 1.

Following a discussion led by Audit Committee member Clarkson and other Board members regarding the FY25 budget, Chair Hamilton acknowledged that, although the Audit Committee usually votes on the Proposed Operating and Capital Budget for FY2025, they could not do so due to the lack of a quorum. She stated that she would inform the Board at the subsequent meeting and present her findings for the full Board to vote on the FY25 Budget. The meeting then proceeded to a presentation by Rob Broline from CRI, who provided the internal auditor’s findings on the security vendor contract compliance follow-up.

Security Vendor Contract Compliance Follow-Up

Mr. Broline reported that Carr, Riggs, & Ingram conducted follow-up consulting services for JAXPORT concerning the Contract Compliance of Security Vendor Contracts, initially reviewed by predecessor auditors RSM. The purpose was to assess whether JAXPORT management had implemented the recommended actions from the previous audit.

Mr. Broline noted that there was a total of eight observations from the follow-up review. All items, except for Observation #6, have been resolved. He mentioned that additional time will be required to fully address and close that remaining issue.

Chair Hamilton requested that Mr. Broline focus specifically on the one unresolved item from the audit. She then asked Public Safety Manager Joanna Gamble to discuss the steps being taken to address this issue moving forward.

Mr. Broline identified Observation #6 as the unresolved issue, which pertains to Officer and Site Inspection Requirements. During the internal auditor's testing, it was noted that AUS (f/k/a G4S) lacked documentation to confirm the completion of the required officer and site inspections. The main issue was that inspections were being conducted on the first shift but not on the subsequent shifts.

Ms. Joanna Gamble, Public Safety Manager, informed the committee that JAXPORT has implemented a contract monitoring process. As part of this process, JAXPORT will review the Officer and Site Inspection Reports from contract security vendors during Monthly Standardized Schedule Inspections, as outlined in Observation #6.

Mr. Broline commended management for successfully addressing and closing many of the audit items. He noted that one final follow-up on Observation #6 is needed before the audit can be fully closed. He also mentioned that the next internal audit in progress will focus on the purchasing card function, and an update on the risk assessment will be conducted in the future as well.

Chair Hamilton stated that the final item of business was addressing a vacancy on the Audit Committee following Ed Fleming's departure. She proposed that the Board appoint Tom Slater to serve on the committee for the remainder of the fiscal year 2024. Mr. Slater agreed. Chair Hamilton stated she would make a formal recommendation at the upcoming board meeting.

There being no further business, the meeting adjourned at 8:30AM.