



AUDIT AND ACCOUNTABILITY COMMITTEE MEETING
Agenda

Monday, April 17, 2023
3:00 p.m. EDT

By Teleconference
Call-in Number: 855-758-1310
Guest Code: 627 763 6389#
Passcode: 567768

Agenda Items	
Call to Order	Belinda Keiser
Agenda <ul style="list-style-type: none">Public CommentMinutes January 11, 2023September 30, 2022 Audit Planning ProcessInterim Financials December 31, 2022Financial Audit Solicitation UpdateEnterprise Risk Management Assessment	 Belinda Keiser Belinda Keiser Yvonne Clayborne Denise Swanson Denise Swanson Howard Haug
Closing Remarks	Belinda Keiser

January 11, 2023 Minutes



Draft Minutes of a Regular Meeting of the Space Florida Audit & Accountability Committee

A Regular meeting of the Space Florida Audit & Accountability Committee was held by Teleconference on January 11, 2023. The meeting was called to order at 10:02 a.m. EST.

COMMITTEE MEMBERS PRESENT:

Belinda Keiser (Chair)
Anthony Barbar
Jason Clement
Rodney Cruise

SPACE FLORIDA STAFF PRESENT:

Frank DiBello
Howard Haug
Denise Swanson
Ron Lau
Todd Romberger
Mike Miller
Beth Courtney
Desiree Mayfield
Terrie Ireland
Ivy Zheng

Denise Swanson thanked the committee members for attending and called the meeting to order. Ms. Swanson stated that the meeting is being conducted in accordance with the Sunshine and Public Record laws of Florida.

There were no public comments.

Ms. Swanson requested review and approval of the October 18, 2022, Audit and Accountability Committee Minutes.

Rodney Cruise made a motion to approve the minutes of October 18, 2022, Audit and Accountability Committee which was seconded by Anthony Barbar and passed unanimously

Ms. Swanson presented the 4th Quarter Interim Financial Statements for the year ended September 30, 2022. Ms. Swanson also reported that Space Florida had a positive net change in assets due to operations results of \$1,452,000 from non-appropriated revenue.

Jason Clement made a motion to recommend that the full Board approve the issuance of the September 30, 2022, financial statements and that the positive change in net assets be allocated to the capital reserve fund which was seconded by Rodney Cruise and passed unanimously.

Ms. Swanson reviewed the financial audit solicitation for audit services starting with Fiscal year end September 30, 2023. The Audit and Accountability Committee members agreed to serve as the selection committee for the Financial Audit Solicitation and Belinda Keiser will act as the chair for the selection committee.

Mr. Haug introduced two “Fee Structure” Policies for Committee action. The first fee structure is titled “Spaceport Investment Infrastructure Fee” and the second fee structure titled “Financial Structure Transaction Fees”.

After some discussion, Anthony Barbar made a motion to recommend the full Board approve the two “Fee Structure Policies” which was seconded by Rodney Cruise and passed unanimously.

Mr. Haug introduced the Enterprise Risk Management Process to the committee. Management intends to present the ERM Assessment to the committee in the March 2023 timeframe for their input, comments, and recommendations to the full board at the April 2023 Board Meeting.

CLOSING REMARKS & ADJOURNMENT

The meeting adjourned at 10:27 a.m. (EST)

DRAFT

Interim Financials December 31, 2022

SPACE FLORIDA



Total Compiled Statement of Revenues and Expenses Period Ending December 31, 2022

Unaudited

In 000's

	Total Budget	Q1 Actual	Forecast	Total Actual and Forecast	Budget Remaining
Operating Revenues					
State Appropriated Revenue - OPS	\$ 11,500	\$ 2,875	\$ 8,625	\$ 11,500	\$ -
Other Revenue	\$ 3,877	\$ 800	\$ 2,482	\$ 3,282	\$ 595
Total Operating Revenues	\$ 15,377	\$ 3,675	\$ 11,107	\$ 14,782	\$ 595
Operating Expenses					
Salaries & Other Related Costs	\$ 8,963	\$ 1,609	\$ 6,258	\$ 7,868	\$ 1,096
Contract & Subcontract Services	\$ 806	\$ 235	\$ 709	\$ 944	\$ (138)
Utilities & Maintenance	\$ 3,780	\$ 958	\$ 2,876	\$ 3,834	\$ (53)
Travel & Entertainment	\$ 221	\$ 24	\$ 99	\$ 123	\$ 98
Business Recruitment & Investment	\$ 260	\$ 19	\$ 241	\$ 260	\$ 0
General & Administrative	\$ 1,347	\$ 568	\$ 894	\$ 1,463	\$ (116)
Total Operating Expenses (Excluding Depreciation)	\$ 15,377	\$ 3,414	\$ 11,076	\$ 14,490	\$ 887
Change in Net Assets Due to Operations	\$ -	\$ 261	\$ 30	\$ 292	\$ (292)

Financial Audit Solicitation Update

**Request for Proposals
For
Financial and Compliance Audits**

TENTATIVE SCHEDULE

Legal Notice Sent to Florida Today	April 3, 2023	N/A
RFP Posted to Space Florida Website and DemandStar	April 7, 2023	N/A
Question Submission Deadline	April 21, 2023	1:00 p.m.
Question Responses Posted to Space Florida Website and DemandStar	April 28, 2023	N/A
Proposals Due	May 5, 2023	1:00 p.m.
Proposals Evaluated by Evaluation Committee	June 9, 2023	N/A
Space Florida Audit & Accountability Committee Meeting	TBD	
Space Florida Board of Directors Meeting	TBD	TBD
Notice of Intent to Negotiate Posted to Space Florida Website and DemandStar	TBD	N/A
Notice of Intent to Award Posted to Space Florida Website and DemandStar	TBD	N/A

Enterprise Risk Management Assessment

Filename: RiskAssessment SPFL

Rundate: 3/29/2023

- Enterprise Risk Management Objectives

- Create and maintain a sustainable program that:
 - Identifies key risks to the Space Florida by considering a spectrum of risk areas
 - Assesses and prioritizes key risks for action, recognizing overall Space Florida strategic direction
 - Develops and implements risk management strategies for top priority risks
 - Monitors and updates risk management strategies as required
 - Communicates risk information and strategies across Space Florida
 - Increase risk awareness and management as part of our culture

CATEGORY/NAME	DESCRIPTION	(Over Next 12 Months)		
		RISK ASSESSMENT		
		Impact	Likelihood	RME
STRATEGIC				
<i>Economy & Locale</i>				
1 Economic cycle	Health of Economy	5	3	3
2 Weather disasters	Supply Chain, Utilities, Roads	4	3	4
3 Local business environment	Unfavorable tax, regulation, or policy	3	4	3
4 State business environment	Unfavorable tax, regulation, or policy	4	4	3
5 Federal business environment	Unfavorable tax, regulation, or policy	3	4	3
6 Federal Budget-Space Components	Stable and Supportive	3	2	3
<i>Stakeholder</i>				
7 Clients	Satisfied, Loyal	4	3	3
8 FDOT	Supportive	5	2	5
9 Spaceport Improvement Program	Cancellation/Implementation change	5	1	4
10 State leadership	Not Supportive	4	3	3
11 Local Leadership	Not Supportive	3	3	1
12 NGOs/Environment groups	Not Supportive/opposition	3	4	3
13 Federal leadership	Positions adverse to SPFL initiatives	5	2	1
<i>Industry</i>				
14 New/disruptive technology	Loss of market relevance,	3	2	4
15 Spaceport Management Model	Self sustainable model under development	4	3	3
16 Negative catastrophic events	Taints industry brand	3	4	2
<i>Infrastructure</i>				
17 Infrastructure capacity limitations	Unable to support market requirements	4	4	2
18 Replacement timeline	Unable to support market requirements	4	2	4
19 Capex constraints	Limited funding support/opportunities	4	2	4
20 Natural disasters	Hurricanes, wind, flood, fire	5	3	4
21 Climate change	Sea levels, erosion	5	4	3
22 Reliance on other infra providers	Unable to support market requirements	4	4	2
<i>Industry Marketplace</i>				
23 Service/product penetration	As expected	3	2	4
24 Market competitor pricing	Lower, Aggressive, Not Comparable	3	3	3
25 Service/product substitution	Better value equation	3	3	3
26 Capital Markets	Volatile, Lack of interest	4	3	3

CATEGORY/NAME	DESCRIPTION	RISK ASSESSMENT		
		Impact	Likelihood	RME
27 DOD Markets	Active, complex sale cycle	3	3	3
28 Workforce	Avialable/flow, training, cost	4	3	2
Industry Mergers & Acquisitions				
29 Change in entity leadership	Change in operations	2	4	2
Competition to Space Florida				
30 Incentives from competition	Greater	4	3	3
31 Political influence	More effective	5	3	2
32 Location selection bias	Con Florida	2	1	1
OPERATIONAL				
Human Resources				
33 Skilled Expertise	Demand causes turnover	3	3	3
34 Compensation	Costs increasing	3	4	4
35 Benefit Costs	Costs increasing, Lower coverage	3	4	4
36 Single point of Expertise	Small team size, interruption to function	4	3	4
37 Resizing	Change in needs	2	4	1
38 Retention	Employee loss/loss of knowledge	5	3	2
39 Succession planning	Not sufficient/Ineffective	4	5	2
40 Culture	Ethics, values, leadership, attitude	5	3	1
41 Training	Limited opportunity, effectiveness.	3	4	1
Information Technology				
42 Architecture costs	Constant change	4	4	4
43 Hacking	Data loss, service, access	4	5	4
44 Public Record Information	Identified and accessible	3	2	5
45 Confidential Information	Identified and protected	5	5	5
Processes				
46 Accounting	System limits and disaster response	4	3	2
47 Contracts	Documented, approved, compliance	4	2	4
48 Vendors/Consultants	Lack of Quality, Supply chain	3	3	3
49 Services, Use, and Financing	Priced, billed, collected, booked	3	3	4
50 Fulfillment	Quantity, quality, delivered, accepted	3	3	4
51 Access to Resources, tools,Information	Lacking or unavailble	4	3	4
Financial				

CATEGORY/NAME	DESCRIPTION	RISK ASSESSMENT		
		Impact	Likelihood	RME
Liquidity				
52 Revenue	Effective revenue generation	5	3	3
53 Cost containment	Increasing or less for same cost	4	4	3
54 Fixed infrastructure costs	Demands use of cash	4	2	4
55 Portfolio	Generate performance metrics	3	2	5
Reporting				
56 External, DEO, State requirements	Compliance and Creditable	4	2	5
Compliance				
Regulatory/Oversight				
57 State Executive	Reporting, directives	4	2	3
58 Legislative	Coordinated action	4	3	3
59 FAA /Launch/land & site operator Licenses	Regulatory changes	4	2	3
60 Public Officials	Requests outside governance process	3	4	3
61 USSF/NASA	Agreement/Compliance Issues	4	3	4
62 Activist	Provoke action by criticism	4	3	1
63 Building Department(s)	SPFL in regulatory role/client staisfaction	4	3	1
64 Environment & Safety Regulatory	Injury,death,spills,bad press, violations/fines	5	3	1
Legal				
65 Statute	Valid/ not obsolete	2	2	4
66 State contract performance	Increased complexities and requirements	3	2	5
67 Commercial Space Launch Act	Increased complexities and requirements	3	2	5
68 Contract compliance	Contract/agreement defaults	4	3	2

<i>Impact Rating</i>	<i>Financial Impact</i>	<i>Non-Financial Impact considerations (cumulative)</i>
1- Minimal	<\$1,000 in Cash Cost	<ul style="list-style-type: none"> * Local Media Coverage * State Leadership Notice * Event noticeable but easily managed * Limited impact on operations
2- Minor	\$1K-\$10K in Cash Cost	<ul style="list-style-type: none"> * Investigation beyond normal reviews/audits
3- Moderate	\$10K-\$30K in Cash Cost	<ul style="list-style-type: none"> * Litigation * Damage or loss of a significant client * Requires major change in business strategy * Requires careful management attention
4- Significant	\$30K-\$100K in Cash Cost	<ul style="list-style-type: none"> * Event has severe impact on operational performance and creditability
5- Major	>\$100K in Cash Cost	<ul style="list-style-type: none"> * Criminal investigations * Major change to entity strategy

Likelihood Rating	Description
1- Rare	Risk may occur in exceptional circumstances <20% probability
2- Unlikely	Risk could occur at sometime 20-40% probability
3- Possible	Risk might occur at some time 40-60% probability
4- Likely	Risk will probably occur in most circumstances 60-80% probability
5- Almost Certain	Risk is expected to occur in most circumstances >80% probability

RME Rating	Description
5- Extremely Effective	<ul style="list-style-type: none"> * Manage all of the causes or effects of the risk * In place management policies, processes, and controls
4- Strong	<ul style="list-style-type: none"> * Manage the majority of the causes or effects of the risk * Risk management gaps are actively addressed and monitored
3- Moderately Effective	<ul style="list-style-type: none"> * Manage about half of the causes or effects of the risk * Risk management objectives tend to be known and monitored
2- Limited	<ul style="list-style-type: none"> * Manage some of the causes or effects of the risk * There are limited formal risk processes * Management somewhat understands the processes and there is at least some ability to comply
1- Minimally Effective	<ul style="list-style-type: none"> * Manage very few or none of the cause or effect of the risk. * There is little to no focus of the risk * Events tend to managed as they arise (reactive in managing the risk)

Impact*Likelihood

Higher Risk
Lower Risk

<p>17. Infrastructure capacity limitations 22. Reliance on other infrastructure providers 31. Political influence</p> <p>38. Retention 39. Succession Planning 40. Culture</p> <p>64. Environment & Safety Regulatory</p>	<p>1. Economic Cycle 4. State Business Environment 20. Natural Disasters 21. Climate Change</p> <p>42. Architecture Costs 43. Hacking 45. Confidential Information</p> <p>52. Revenue 53. Cost Containment</p>
<p>11. Local Leadership 13. Federal Leadership 16. Negative Catastrophic Events 28. Workforce 29. Change in Entity Leadership 32. Location Selection Bias</p> <p>37. Resizing 41. Training 46. Accounting</p> <p>62. Activist 63. Building Department(s) 68. Contract Compliance</p>	<p>2. Weather Disasters 3. Local Business Environment 5. Federal Business Environment 6. Federal Budget Space Components 7. Clients 8. FDOT 9. Spaceport Improvement Program 10. State Leadership 12. NGOs/Environmental Groups 14. New/Disruptive Technology 15. Spaceport Management Model 18. Replacement Timeline 19. Capex constraints 23. Service/Product Penetration 24. Market Competitor Pricing 25. Service/Product Substitution 26. Capital Markets 27. DOD Markets 30. Incentives from competition</p> <p>33. Skilled Expertise 34. Compensation 35. Benefit Costs 36. Single Point of Expertise 44. Public Record Information 47. Contracts 48. Vendors/Consultants 49. Service, Use, and Financing 50. Fulfillment 51. Access to Resources, Tools, Information 54. Fixed Infrastructure Costs 55. Portfolio 56. External, DEO, State Requirements 57. State Executive 58. Legislative 59. FAA Launch/Landing Site Operator License 60. Public Officials 61. USSF/NASA 65. Statute 66. State Contract Performance 67. Commercial Space Launch Act</p>

Less Effective

More Effective

Risk Management Effectiveness (RME)

Strategic
Operational
Financial
Compliance









