

**The Escambia County School District
Audit Planning and Review Committee Meeting
Minutes, April 14, 2000**

- I. The meeting of the Audit Planning and Review Committee was called to order by Dr. Richard Calvasina, Chairman at 4:08 p.m. in Conference Room B of the Escambia County School District, 215 West Garden Street, Pensacola, Florida 32501. In addition to Dr. Calvasina the Committee Chair, committee members in attendance were Karen Pope and Angela Sheffield. Others in attendance were Linda Lewis, recording minutes, Debbie Fussell, and Sam Scallan, Director of Internal Auditing, Dr. Hal Mason, School Board member, and Mike West.
- II. A motion was made by Angela Sheffield to adopt the agenda, seconded by Karen Pope, and passed unanimously.
- III. A motion to approve the minutes for the April 10, 2000, meeting was made by Angie Sheffield, seconded by Karen Pope, and passed unanimously.
- IV. The first item for discussion was the reallocation of an auditor position to the Finance Department. Mr. Scallan mentioned his discussion with Ms. Patricia Wascom, Assistant Superintendent for Finance, in reference to other currently vacant positions within the Finance Department that could be used instead of the auditor position. The committee commented that without the risk assessment it is not known if they could support the loss of an auditor. The mandatory audits could be completed with the remaining two auditors and co-op position but there were concerns regarding the probable increased workload of the department from requests.

The discussion continued with Dr. Mason interjecting that there could be potential savings to the district with someone in place to do sales tax abatement. There has already been a loss to the district of approximately \$1, 000,000.

A motion was made recommending that the position not be removed and remain within the Internal Auditing Department by Karen Pope, seconded by Angela Sheffield, and passed unanimously.

The next item discussed was the contract for the department's director. The question was raised as to whether the Superintendent was the appropriate person to make contract proposals in regards to the director of Internal Auditing now that the department is under the Board. According to the Charter, the committee must concur with the Superintendent's recommendation in regards to his contract. Mr. Scallan indicated that he had met with the Deputy Superintendent and was told there was a concern on the part of district management regarding the direction of the department. Mr. Scallan indicated that he had asked the board's attorney to look at the issue of contract appointment. Dr. Calvasina commented that he is responsible for Mr. Scallan's evaluation and will discuss his contract with both

the Superintendent and Board Chairman to suggest that Internal Auditing is being pressured as a result of their position taken regarding the inspection and audit clause.

A motion was made by Karen Pope that the committee recommend to the school board that the contract for Internal Auditing's Director be renewed, as in the past, for 2 years, seconded by Angie Sheffield, and passed unanimously.

After three months of no action in regards to an inspection and audit clause for all contracts, the board attorney had suggested to Mr. Scallan that he put language for an audit clause on the agenda for the next board meeting. Having done so, it was requested that the item be pulled to allow the Assistant Superintendent for Curriculum and Instruction an opportunity to offer suggestions. Mr. Scallan stated that he will submit a letter recommending to the Board that they work with the Committee to pick a final version of an inspection and audit clause. After discussion, the Committee agreed that they were responsible for recommending a clause to the Board. To assist the Committee in their deliberations, Mr. Scallan presented two versions of possible language for the audit clause including a modified version of one developed by district management. The committee agreed that the version developed by management, with the omission of the reference to fraud as a reason for inspection and audit, be recommended to the board. They did not agree with the scope limitation language recommended by management.

A motion was made by Angie Sheffield to recommend the following language for adoption by the board for preclusion in all contracts, seconded by Karen Pope, and passed unanimously.

"The School District of Escambia County Florida (the District) or it's representative reserves the right to inspect and/or audit all the company's documents and records as they pertain to the products and services delivered under this contract. Such rights will be exercised with notice to the company to determine compliance with and performance of the terms, conditions and specifications on all matters, rights, duties, and obligation established by this contract. Documents/records in any form shall be open to the District's representative and may include but are not limited to all correspondence, ordering, payment, inspection and receiving records, contracts or sub-contracts that directly or indirectly pertain to the transactions between the District and the Company."

Mr. Scallan presented a proposed agenda item to recommend to the board for approval of guidelines for responding to requests received from individual board members or district staff. The committee concurred with the guidelines presented for submittal to the Board.

Mr. Scallan reminded the committee as to the time of the April board workshop that following Monday and commented that they might be asked to answer questions from the board.

- V. There was no public input.
- VI. There were no announcements.
- VII. The next committee meeting will be scheduled for sometime in May.
- VIII. Dr. Calvasina adjourned the meeting at 5:15 p. m.

Karen Poze
Secretary

Rubel V. Calvasina
Chairman