

**The Escambia County School District
Audit Committee Meeting
Minutes, May 27, 2008**

- I. Martha Smith, Chair, called the meeting of the Audit Committee to order at 5:15 p.m. in room 130 at the J. E. Hall Center, 30 East Texar Drive, Pensacola, Florida 32503. Other committee members in attendance were: Jennifer King, Earl Lee, Amy Daniel Zoesch, and Bill Cox. Those also present were: David Bryant, Director, Office of Internal Auditing; Michèle Kiker, Senior Auditor; Justin Cook, Auditor; Barbara Linker, Assistant Superintendent, Finance; Leslie Scott, Financial Analyst, Linda Lewis, Director, Payroll; Dan Busse, Principal, George Stone Technical Center and Kaley Giles, Auditing Intern, Office of Internal Auditing, recording the minutes.
- II. The Committee adopted the agenda as presented.
- III. There was no public input.
- IV. The minutes for the February 18, 2008 meeting were approved as presented. Mr. Lee asked the question of why no one currently signs the minutes. Mr. Bryant explained they were signed then filed in the records.
- V. Items from Internal Auditing

Mr. David Bryant introduced the new internal auditor, Mr. Justin Cook, who had been hired to replace Mr. Jason Gilmore.

- A.
 - 1. Internal Accounts Audits – None Submitted
 - 2. Other Audits/Reviews
 - a. Completed
 - 1. Extra Pay Timesheet Review
Mr. Bryant stated he had conducted an exit conference in reference to the Extra Pay Timesheet Review and a response was received. Mr. Bryant discussed one recommendation to resolve the potential for double payments. He discussed the lack of controls over hand written extra time sheets. Ms. Linda Lewis discussed the payroll department's procedures. She also discussed future possible plans of a new payroll software system.
 - 2. District-Wide Internal Funds Audit
Mr. Bryant discussed the schedule included on this year's report. He added that outside organizations (including booster club, quarterback club, etc.) are not audited by the department. Mr. Bryant discussed how the information was provided to the schools as well as the benefits of having Leslie Scott working with schools. Mr. Bryant discussed the follow-up procedures that were included in this year's audit cycle. He stated that all follow-ups have been completed.
 - 3. George Stone – Cosmetology
Mr. Bryant explained that Mr. Dan Busse requested the George Stone audit to be completed. Mr. Bryant discussed the overall result of the cosmetology department audit was good. He commented that they have internal controls in place, and appeared to be using them effectively.
 - 4. George Stone – Automotive Service Technology and Automotive Collision Repair & Refinish
Mr. Bryant commented the majority of the recommendations were similar for each department. Mr. Bryant discussed the security issues at the school. Mr. Bill Cox commented on Mr. Busse's eagerness to have the audit completed and make corrections.

5. George Stone – Marine Service Technology
Mr. Bryant discussed the format of the reports. The format includes all recommendations as well as responses from the principal.

6. George Stone – Air Conditioning, Refrigeration and Heating Technology
The air conditioning department was mentioned as one of the top problem areas by Mr. Bryant.

A motion was made by Earl Lee, seconded by Bill Cox and passed unanimously to accept the reports from the Office of Internal Auditing as presented.

7. Lipscomb Elementary Cafeteria Investigation (Discussion)
Mr. Bryant discussed briefly the investigation that took place at Lipscomb as well as the follow-up procedures that took place.

b. Incomplete/Status

1. Annual Food Service Procurement Review (Draft to be Issued)
Mr. Bryant stated the field work for this audit had been completed as well as a draft completed by Ms. Kiker.

2. Long Distance Telephone Charges Review
Mr. Bryant discussed the review and in conjunction with the follow-up done at this particular school, we planned to broaden the scope to look at all of the other long distance charges throughout the district. He stated he had completed the preliminary work and performed a cost/benefit analysis that concluded it would not be beneficial to review all long distance charges, due to the immaterial amount incurred at the district. The follow-up was concluded on the Bailey Middle School report and the information was given to the principal. Mr. Lee raised a question about employees paying for personal phone calls. Mr. Bryant commented that policy is in place for cell phone usage. Mr. Lee raised the same question in reference to personal vehicles.

c. Discussion of Investigations/Mgt. Consulting Activities

Mr. Bryant discussed the background of what makes a school a “charter” school. He gave a brief overview of the circumstances that have occurred to warrant an audit. Ms. Linker discussed the background information relating to the audit.

B. Other Issues – Discussion Items

1. Audit Committee Charter Changes

Mr. Bryant confirmed the changes to the charter. Mr. Bryant commented that a chair and a vice chair will be elected annually. The requirement for membership was changed to a business professional that must be working in Escambia County at the time of appointment.

2. Revised Budget 2008-2009

Mr. Bryant discussed the preliminary budget, with a small increase. Mr. Bryant was guided by the School Board Chair to revise the budget. He made a 10% reduction. Budgeting then made a recommendation to Mr. Bryant to reduce travel by 50% (district wide). Mr. Bryant stated the adjustment has been made.

3. Staffing Update

Mr. Bryant stated the recommendations the committee decided upon to make contract renewals for everyone in the department had been approved by the school board. Mr. Bryant discussed the budget cut decision to hold the secretary position vacant for the next year. He detailed how the interns would fulfill some of the secretarial responsibilities. He discussed how other departments have offered to help with the routine functions. Mr. Bill

Cox asked if the department was now fully staffed, minus the secretary position. Mr. Bryant explained we are fully staffed at this point, yet both interns will be leaving in December upon graduation.

4. Inventory Technician Job Description Revision and Job Audit (No Back-Up)

Mr. Bryant discussed the Job Audit Review Board's recommendation to update the job description as well as an adjustment in salary. He stated that in 30 days, a written recommendation will be presented and it will go back to the committee for a decision.

5. FEMA Close-Out Process and Staffing (No Back-Up)

Mr. Bryant discussed the FEMA close-out process. He discussed the time line. The entire process will take a few years. Mr. Justin Cook, Auditor, is currently working on gathering more information. Mr. Bryant discussed the cost/benefit of our continuing our work with FEMA and it was overwhelmingly positive for us to continue.

6. Audit Committee Member Renewals/Replacements

Mr. Bryant presented an updated contact sheet. He pointed out that Ms. Jennifer King and Mr. Bill Cox are scheduled to end their office term on June 30, 2008. He asked them if they were interested in continuing on the Committee. He requested an e-mail from each stating their decision. Mr. Bill Cox stated he was leaving. Ms. Jennifer King stated she was undecided and she would let Mr. Bryant know.

- VI. No items were brought forward from the Audit Committee Members.
- VII. Mr. Bryant announced that since this meeting would most likely be the last meeting for Ms. King and Mr. Cox he would like to thank them for their time and participation. Mr. Cox thanked Mr. Bryant for a job well done as well as the ongoing effort to create meetings with more meaning. No other announcements or comments were made.
- VIII. Mr. Bryant suggested waiting to set the next Audit Committee meeting. He stated he would send out an e-mail at a later date.
- IX. Ms. Smith adjourned the meeting at 6:20.

Secretary



Chair