

**The Escambia County School District  
Audit Planning and Review Committee  
August 17, 1999**

- I. On August 17, 1999, at 5:02 p.m., the first meeting of the Audit Planning and Review Committee was called to order by the acting Chairperson, Shelly Blake, in Conference Room B of the Escambia County School District Administration Building, located at 215 West Garden Street, Pensacola, Florida 32501.
- II. Agendas were made available to all those in attendance.
- III. Committee members were introduced including Shelly Blake, serving as the School Board appointee, Karen Pope, representing the Escambia County Council of PTAs, Kelly Bowen, appointee from the Northwest Florida Chapter of the Institute of Internal Auditors, Inc. and Angela Sheffield, appointee for the Superintendent. Dr. Richard Calvasina, Chairman of the University of West Florida's Department of Accounting and Finance was introduced as the proposed nominee for the fifth member of the Committee. Others introduced included Sam Scallan, Director, Internal Auditing, Escambia County School District, Susan Reed, Secretary for the Department (recording minutes of meeting), the Internal Auditing staff, and Mr. R. N. Dunagan, a citizen and Finance Advisory Committee member.
- IV. Motion was made by Shelly Blake and seconded by Angie Sheffield to elect Dr. Calvasina as the fifth member of the committee, who serves as chairman. The motion passed unanimously. At that point, the gavel was passed to Dr. Calvasina, who chaired the remainder of the meeting.
- V. Election of Officers  
Motion was made and seconded to elect Shelly Blake as Vice Chairman. Discussion followed regarding requirements of the office. The motion passed unanimously.
- VI. Motion was made and seconded to adopt Robert's Rules of Order as the official rules for the conduct of the committee. The motion passed unanimously.
- VII. A. Style of minutes was discussed. A motion was made and seconded to use summary style in recording of minutes. The motion passed unanimously.  
B. Discussion followed concerning filing and permanent location of minutes. The decision was made to maintain minutes in the Internal Auditing Department. Mr. Scallan made the suggestion that minutes and agendas be published on the department's Web Page. This was discussed but no final decision was made.
- VIII. A motion was made and seconded to nominate Angie Sheffield as Parliamentarian. The motion passed unanimously.
- IX. Secretary for the committee was discussed. The Recording Secretary should be a committee member with the Internal Auditing secretary assisting in the taking of minutes. Motion was made and seconded to nominate Karen Pope as Recording Secretary. The motion passed unanimously.
- X. Standard meeting dates, time, and place were discussed. Attention was paid to potential conflicts with standard Board meeting dates. The Charter for the operations of the Audit Committee requires that the committee meet at least four times per year. Additional meetings could be called as needed. Discussion followed concerning timing of the annual budget cycle, annual audit plan, etc. The committee agreed that standard meetings would be held the 3<sup>rd</sup> Monday of September, November, June, and March at 5:00 p.m. The location of the next meeting would be at the Gulf Power corporate offices and the next meeting date was discussed but deferred until that part of the agenda.

XI. Internal Auditing Items

A. Discussion of Internal Auditing Budget:

In response to questions, Mr. Scallan explained that salaries were not included in the annual budget request but they are controlled centrally. He also indicated that the School Board had voted to freeze out-of-county travel at last year's expenditure level. He was questioned regarding the reduction in the budget for capital outlay. Mr. Scallan explained that although he was disappointed in the budget decisions, he wished to work, where possible, within funding provided by the District as a good faith gesture. The committee expressed their concern in the cuts and asked whether he felt he could effectively perform the duties of the department with funds currently provided. He concluded that the budget was tight, but stated his desire to work within the tentative budget and make appropriate budget requests for the next year's budget.

Motion was made by Angie Sheffield and seconded by Karen Pope to recommend the tentative budget. The motion passed unanimously.

- B. Mr. Scallan explained that prior to the creation of the Audit Committee by the Board on April 29, 1999, all reports issued by his department were issued to the auditee and superintendent. Internal Account Audits, by statute, are presented to the Board in addition to the auditee and superintendent. He explained that three audits/reviews had been issued after the creation of the Audit Committee on April 29, 1999, and subsequently issued to the Superintendent and auditee. Mr. Scallan indicated that these should now be presented to the Board after review by the Audit Committee. Release of audits/reviews will be formerly addressed in the Charter for the Internal Auditing Department to be presented to the committee later in the agenda.

In essence of time, the Student Fee Review, Beulah Academy Audit, and N. B. Cook Construction Review were deferred until the next meeting. Requests were made for copies of the letter referenced in the N. B. Cook Construction Review as well as copies of the Annual Audit Plan. Mr. Scallan responded that the completion of an audit plan has been delayed until a District Risk Assessment is done but the department is proceeding with the annual audits of internal funds.

- C. Disclosures relating to matters of independence, outside employment, and professional affiliations were presented to the committee. The committee discussed these items, accepted the information, and concluded that based on what had been presented, they were comfortable with them. Mrs. Sheffield requested that the committee be informed anytime Internal Auditing presents a report to them covering an area under the control of Mrs. Scallan.
- D. The draft of the Internal Audit Charter was discussed. Questions were raised regarding the annual performance evaluation and administrative reporting of the Internal Auditing Director. The committee discussed the need for the Chairman of the Audit Planning and Review Committee to meet with the Superintendent to discuss the Internal Auditing Director's performance evaluation each year. Administrative reporting to the Deputy Superintendent for coordination of day to day signature requirements seemed appropriate. The requirement for external quality assurance reviews was also discussed. The committee concluded that "external" would include peer review as a means of reducing costs.

A motion was made by Karen Pope and seconded by Angie Sheffield to approve the Charter as written and recommend it to the Board for approval at the next regularly scheduled meeting. The motion passed unanimously.



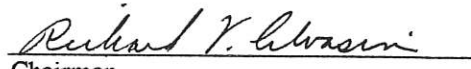
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- E. Revisions to the Director's Job description was deferred until the next meeting. Mr. Scallan was unable to present a draft for review at the meeting.
  - F. Copies of the MGT of America, Inc. Executive Summary, excerpts from the draft of the final report concerning Internal Auditing, and a copy of the response to findings relating to Internal auditing written by Mr. Scallan were passed out to members for review. Discussion of materials was deferred until the next meeting.
  - G. & H. Motion made and seconded to defer items G and H until the next meeting. The motion passed unanimously.
- XII. The next meeting of the Audit Planning and Review Committee was set for September 13, 1999, at 5:00 in Room 402 at Gulf Power's Corporate Offices on Bayfront Parkway.
- XIII. The meeting adjourned at 6:40 PM.

  
Secretary

  
Chairman