

**The Escambia County School District
Audit Planning and Review Committee Meeting
Minutes, March 28, 2000**

- I. The meeting of the Audit Planning and Review Committee was called to order by Dr. Richard Calvasina, Chairman at 5:09 p.m. in the Board Room of the Escambia County School District, 215 West Garden Street, Pensacola, Florida 32501. In addition to Dr. Richard Calvasina the Committee Chair, committee members in attendance were Kelly Bowen, Shelly Blake, and Angela Sheffield. Others in attendance were Susan Reed, recording the minutes, Debbie Fussell, Linda Lewis, and Sam Scallan.
- II. A motion was made by Kelly Bowen to adopt the agenda, seconded by Angie Sheffield, and passed unanimously.
- III. A motion to approve the minutes for the February 17, 2000, meeting was made by Angie Sheffield, seconded by Kelly Bowen, and passed unanimously.
- IV. There were no officer's reports.
- V. Items from Internal Auditing
 - A. Mr. Scallan submitted the 2000-2001 budget to the committee pointing out that it had been discussed with Mr. Watson, Deputy Superintendent, and he had requested that it be discussed with the Superintendent. During the meeting with Mr. Watson, there was general agreement with the budget although Mr. Watson expressed concern regarding budgeted items for a new vehicle for the inventory technician and a computer for the office. He requested consideration be given to postponing these items until next year. Mr. Scallan explained that budget requests are based on true need, even in lean years but was agreeable to postponing these two items.

After much discussion, Kelly Bowen made a motion to accept the budget with the understanding that the proposed budget items for purchase of a new vehicle for the inventory technician and a new computer would be deferred until next year. The motion was seconded by Angie Sheffield and passed unanimously.
 - B. Risk Assessment-Annual Work Plan

The completed risk assessment for the development of the annual work plan for the department was presented and discussed. Mr. Scallan and the committee reviewed a spread sheet containing information regarding total annual audit hours available reduced by approximate hours for annual and sick leave, holidays, etc. In addition, audit hours spent on internal funds audits and other annual audits/reviews is applied leaving the total hours

available for internal audits and special requests. The committee revised the reserve for special assignments to 20 % of the total hours based on their assessment of the department's responsibility to the Board and Superintendent as defined in their charter.

Mr. Scallan reported that a limited number of requests for audits/reviews topics were received after memos and other correspondence were sent to board members, Superintendent, staff, and citizen advisory committees. He then discussed the risk model developed from the requests received and commented that there should be another risk assessment done next year. It was noted that there was no audit coverage of construction activities, a large part of the district's budget. In addition, it was also noted that Mr. Scallan has an obligation to the District to add his concerns to the model. The risk assessment did not adequately address the risks of the District and it did not have input from three of the four divisions of the district.

After reviewing the model and discussing other potential risks, the committee concluded that the assessment was not acceptable. Mr. Scallan should start from scratch, contacting the Superintendent and management to seek their input to the risk assessment, and use his knowledge of the Districts' risks to come up with his own input.

Mr. Scallan then recommended a motion that the risk assessment and annual work plan submitted be rejected for inadequate coverage and that he be directed to again seek input from assistant superintendents and directors below them. The motion was made by Kelly Bowen, seconded by Angie Sheffield and passed unanimously.

- C. Discussion followed concerning the reallocation of an auditor position to the Finance Department beginning July 1. The approval of the Personnel Planning Document, which is being recommended to the Board at the April board meeting would approve the reallocation. This planning document includes contract renewals and changes including transferring of the Property Control employees, reclassifications, as well as the auditor reallocation. Mr. Scallan pointed out that reclassifications of several positions being transferred to Finance were also being recommended in the planning document.

The committee agreed that a meeting should be scheduled to meet with the Superintendent in order to discuss their concern that the loss of an auditor position would not allow the department enough work hours to include special requests on the annual work plan. Mr. Scallan recommended that the appropriate time to address the reallocation with the Board would be during the board workshop.

D. Other

1. Mr. Scallan informed the committee that a request was received from the Director of Risk Management to perform an analysis of receivables in the workman's compensation program. He had previously notified the board chairman and the audit committee chairman of the request.
2. The District has contracted with an independent CPA firm from Orlando to perform the required annual audit of the district for 5 years, renewed annually. The Board directed the Board Attorney, and Audit Committee Chairman to negotiate the terms of the contract.
3. Mr. Scallan explained that the scope of the department was questioned recently after he responded to a request from Dr. Mason regarding clarification of state rules regarding the requirements to use an architect to replace the roof on the building at 215 West Garden. He had provided information received from the Department of Education, Educational Facilities in response to Dr. Mason's request. On the day after the board meeting, the board chairman discussed this issue with Mr. Scallan and expressed her belief that such requests should be made by the entire board and not one member. In addition, she explained that the request was in an area outside the scope of his department's authority. She requested the issue be discussed with the Audit Committee.

The Committee discussed the issue. They concluded that the charter for the department makes it clear that Mr. Scallan has an obligation to the Board, individually and collectively, and to the Superintendent and staff to respond to requests for information and/or analysis. In addition, they believe that the Charter gave unlimited scope to the department and that requests should be fully disclosed to all parties involved including the Board, management, and /or department/staff.

A motion was made to direct Mr. Scallan to prepare guidelines for responding to future requests for information/analysis and that they be submitted for approval at the April 18, board meeting. The motion was made by Angie Sheffield, seconded by Kelly Bowen and passed unanimously.

4. The Committee approved proceeding with a request for audit of the Track Booster Funds at Escambia High School.
5. Committee member, Karen Pope, has served her one year and will step down upon appointment of her replacement.

- VI. There were no items from the Committee members
- VII. There was no public input.
- VIII. There were no announcements.
- IX. There will be a meeting with the Superintendent prior to the April board meeting. Mr. Scallan will contact him and advise the committee. The next committee meeting will be scheduled after the April board meeting.
- X. Dr. Calvasina adjourned the meeting at 6:50 p. m.

Secretary

Chairman