

The Escambia County School District
Audit Planning and Review Committee Meeting
Minutes, August 1, 2000
(Based on Committee direction, minutes will be condensed)

- I. Mike Adkins, Chairman, called the meeting of the Audit Planning and Review Committee to order at 5:31 p.m. in Conference Room B of the Escambia County School District, 215 West Garden Street, Pensacola, Florida 32501. In addition to Mike Adkins, the Committee Chairman, committee members in attendance were Kelly Bowen, Laura Shaud, and Angela Sheffield. Others in attendance were Susan Reed, recording the minutes, Sam Scallan, Director, Internal Auditing, Patricia Wascom, and Wayne Odom.
- II. A motion was made to adopt the amended agenda by Laura Shaud, seconded by Kelly Bowen, and passed unanimously.
- III. A motion to approve the minutes for the July 19, 2000, meeting was made by Angela Sheffield, seconded by Kelly Bowen, and passed unanimously. It was decided by the Committee that future minutes could be less detailed.
- IV. Items from Internal Auditing:
 - A. Mr. Scallan reported that the requested changes to Charter language were approved by the Board at its special Board meeting held July 24, 2000. In addition Mr. Scallan's contract was renewed in a separate motion. The Committee discussed the need to continue the practice of meeting with the Superintendent on Mr. Scallan's annual performance review. Mr. Scallan added that once the approved minutes of the July Board meeting are received approving the exact modified Charter language, a copy of the Charter with those changes would be given to the Committee members.
 - B. Mr. Scallan expressed the need for guidance on how to approach the subject of a risk assessment with management. Patricia Wascom, Assistant Superintendent Finance, shared information from her recent presentation for the Administrators Conference regarding internal controls, business ethics, and fiscal responsibilities. She also noted key areas of high risks. Committee members continued with discussion of ways to seek input from management of risk concerns that would not seem threatening. They also discussed the importance of seeking the Superintendent's input. Several approaches to the risk assessment were discussed and the Committee asked Mr. Scallan to present a draft outline using SAS 78 and COSO as a framework after he and the Committee Chairman meet with the Superintendent.

V. Items from Committee members

A. The discussion of the project for control environment, SAS 78, continued from the last meeting of July 19. Ms. Wascom's presentation to principals and administrators was considered to be a first step in awareness. All present discussed the need for school district employees and the public to adopt standard guidelines regarding internal controls for the use of school district property. The Committee suggested combining Core Values and State Statutes while using SAS 78 and COSO as a basis to mesh view points from both the taxpayer and educator. The mission would be the same as the District's, only from a CPA or CIA prospective. The Committee agreed that they should present an outline of their ideas to the Superintendent prior to going forward.

B. Under the added agenda item of Other Business

1. Reporting Guidelines:

Mike Adkins expressed his feelings concerning requests for assistance from outside agencies. Regarding detection of fraud, the Committee agreed the auditor should be guided by reporting standards of the AICPA requiring reporting to the next highest level of management. Mr. Scallan noted that the Charter for the department requires that the Board Attorney be notified. In addition, the Committee agreed that any requests for assistance in investigating possible fraud or illegal acts should be reported to the Board Attorney who should obtain authorization from each Board member.

2. Audit Plan:

The Committee agreed to use the approved audit plan from the prior year until a risk assessment was completed.

VI. There was no other Public Input

VII. Mr. Scallan announced that he and Ms. Debbie Fussell, Senior Auditor attended a two-day seminar on Performance Auditing in Tallahassee, Florida.

VIII. The next meeting was set for 5:30 p.m. on Tuesday, September 5.

IX. Mr. Adkins adjourned the meeting at 6:45 p. m.

Secretary

Chairman