

**The Escambia County School District
Audit Planning and Review Committee Meeting
Minutes, July 15, 2002**

- I. Mike Adkins, Chairman, called the meeting of the Audit Planning and Review Committee to order at 5:35 p.m. in Conference Room B of the Vernon McDaniel Building, 215 West Garden Street, Pensacola, Florida 32501. Mr. Adkins announced Aleta Hudson as the new Committee member representing the Northwest Florida Chapter of the Institute of Internal Auditors. Other committee members in attendance were: Betsy Bowers, Audrey Morrison, and Angela Sheffield. Others in attendance were: Sam Scallan, Director, Internal Auditing; Linda Lewis, Director, Payroll; Debbie Fussell, Financial Analyst, Food Service Accounting and Travel; and Susan Reed, recording the minutes.
- II. Upon motion and second, the Committee adopted the agenda.
- III. The minutes for the May 20, 2002 meeting were approved by the Committee with no additions or deletions.
- IV. Items from Internal Auditing:
 - A. There were four Internal Funds Audits presented to the Committee for acceptance having no findings other than the standing comment regarding segregation of duties.

A motion to accept the Internal Funds Audits was made by Betsy Bowers, seconded by Angie Sheffield, and passed unanimously.
 - B. Mr. Scallan presented the response to the Follow-up Report for the Review of C. A. Weis Elementary School Saturday School Program presented at the last meeting. Ms. Linda Lewis and Ms. Debbie Fussell, representing the Finance Department, were present to discuss staff's response with the Committee. The Committee agreed that there should have been a response from the Superintendent to accompany staff's response with inclusion of a plan of action in that response. Further discussion with Ms. Lewis and Ms. Fussell included Committee expectations from management responses and clarification of recommendations made by Internal Auditing in the report. Additional discussion occurred regarding the lack of an exit conference with management prior to issuing a draft of the report. Mr. Scallan explained that this particular assignment was unusual because it was a follow-up to an earlier investigation, limited in scope, and did not constitute a review of the District's payroll policy and procedure.

No action was taken pending a response from the Superintendent.

- C. Mr. Scallan then reviewed the status of the current projects listed on the agenda. The Risk Management Receivables Review is on hold waiting year-end closing. Also on hold are the Maintenance Work Order Follow-up and Official Receipts projects. The completion of the District Vehicles vs Mileage Review is on hold waiting necessary reports. Discussion by the committee was held ascertaining whether the delay was related to denying access to Internal Auditing or if it was

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just a processing delay. Mr. Scallan reported the delay was a processing delay. The George Stone Fee Audit fieldwork is complete and is being written up.

- D. Mr. Scallan reported that Mr. Adkins was drafting a letter to the School Board to request restoring funding in the department's budget for staff development activities previously eliminated by management.

Mr. Scallan announced that interviews for the vacant auditor position would be held on July 16, 2002. In addition, he announced the new Inventory Technician, Ms. Jeanne Pilgrim, was on board and that a new Co-op student had been hired.

New committee member, Aleta Hudson, was re-introduced and Mr. Scallan remarked that the replacement for the Superintendent's representative had not been selected. The Audit Planning and Review Committee Charter requirements had disqualified several possibilities.

Mr. Scallan discussed the annual work plan and indicated a request to add the review of free and reduced lunches (accu-claims review) to the plan. The Committee indicated that they would consider the request when the plan was presented at the next meeting.

- V. Betsy Bowers indicated the Audit Planning Review Committee's Charter was several years old and suggested that the Committee review it and bring any ideas for changes to the next meeting for consideration. She also thanked Ms. Lewis and Ms. Fussell for their frank discussions of the audit process and commended them for the manner in which they approach the work of the Internal Auditing Department.

Ms. Bowers also asked whether chartered schools were under the purview of the Internal Auditing Department. Mr. Scallan stated they were public schools utilizing public funds, and although they were audited by independent CPA firms, they did fall under the department's purview. He indicated he had received a request from management and the School Board to conduct reviews of those schools.

- VI. There was no public input.

- VII. There were no announcements.

- VIII. The next meeting date will be set at a later date.

- IX. A motion to adjourn was made by Betsy Bowers and seconded by Angela Sheffield. Mr. Adkins adjourned the meeting at 6:30 p. m.

Secretary

Chairman