

**The Escambia County School District
Audit Committee Meeting
Minutes, February 2, 2004**

- I. Mike Adkins, Chair, called the meeting of the Audit Committee to order at 5:32 p.m. in Conference Room B of the Vernon McDaniel Building, 215 West Garden Street, Pensacola, Florida 32502. Committee members in attendance were: Betsy Bowers, Kathy Langley and Earl Lee. Others in attendance were: Scott Woody, Acting Director, Internal Auditing; District staff members, Barbara Linker and Laura Shaud; one person from the public and Susan Reed, recording the minutes. Committee member not in attendance was Aleta Hudson.
- II. Additions and deletions to the agenda were noted. Upon motion and second, the Committee adopted the agenda.
- III. Public Input included staff member, Barbara Linker, discussing a request that Internal Auditing perform a review of the Purchasing Department as it relates to food service by completing a check list in connection with the State's Food Service CRE Audit. The Committee approved the Auditing Department completing the check list as long as it was not too lengthy.
- IV. The November 17, 2003, meeting minutes were approved as submitted.
- V. Mr. Woody reported that the list of completed internal funds audits were standard except for the Warrington Middle School audit. The audit was being resubmitted to the Committee with changes based on suggestions made at the June 25, 2003 Committee meeting. Mr. Woody felt that guidelines and procedures to address the findings with regard to inappropriate deposits of funds into the school's faculty fund were already in place.

Regarding the standard finding of segregation of duties, Mr. Lee noted the need to make suggestions and general recommendations as to how the schools could improve on this control.

The Committee discussed the Superintendent's request for follow-up to the Auditor General's Report. Regarding the request for the Auditing Department to audit for compliance with District procedures and rate schedules at District child care sites and for compliance with District procedures for extra-pay timesheets at school sites, it was recommended that the request be added to next year's annual work plan. The Committee suggested performing these audits as a separate engagement and not adding additional steps to the internal funds audit program.

Mr. Woody requested the Committee's direction regarding proceeding with charter school audits. He reported that fieldwork has been completed for the District's charter schools. With the absence of the department's director, reports have not been completed

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and only two exit conferences were held prior to his absence. Requests for copies of charter school audits and past legal problems within several charter schools having occurred, the Committee decided that Mr. Woody should proceed with completing these audits and submit them for review at the next Audit Committee meeting.

- VI. Mr. Adkins explained the concerns of a parent questioning a school's records dealing with lost textbook charges. At Mr. Adkins' request, Mr. Woody had reviewed this school's procedures for lost textbooks; Mr. Woody discussed them with the Committee. The Committee suggested that Mr. Woody contact appropriate staff in reference to District policy of lost textbooks. An evaluation and review of proper controls District wide should be considered in the work plan, once there is sufficient auditing staff. Mr. Adkins asked Mr. Woody to send a letter to the parent as to the Committee's discussion and his review.

The Committee discussed the draft ethics policy received from Doug Garber, Assistant Superintendent, Human Resource Services. Concerns addressed included the document length, disclosing conflicts of interest, and involvement of Internal Auditing. Mr. Adkins stated that he would include comments made during the meeting in a letter to Dr. Garber and would request his attendance at the next Audit Committee meeting.

- VII. Under announcements, Mr. Woody thanked the Committee for their vote of confidence. Mr. Adkins stated he would attend the February Board workshop if requested.
- VIII The Committee agreed to meet in about one month.
- IX. Mr. Adkins adjourned the meeting at 6:35 p.m.

Secretary

Chairman