

**The Escambia County School District  
Audit Committee Meeting  
Minutes, March 14, 2007**

- I. Martha Smith, Chair, called the meeting of the Audit Committee to order at 5:17 p.m. in Conference Room B of the Vernon McDaniel Building, 215 West Garden Street, Pensacola, Florida 32502. Other committee members in attendance were: Jennifer King, Earl Lee, Virginia Yeagle and Bill Cox. Those also present were: David Bryant, Director, Internal Auditing; Betsy Bowers, Associate Vice President, UWF Internal Auditing & Management Consulting; Claudia Brown-Curry, ECSD Board Member; Barbara Linker, Assistant Superintendent, Finance; Michèle Kiker, Internal Auditor; Diane Martinez and Kaley Giles, Internal Auditing Interns and Susan Reed, recording the minutes.
- II. The Committee adopted the agenda with the exclusion of item #V.C.2. Charter Changes, which was pulled by Mr. Bryant.
- III. There was no public input at that time. Mr. Bryant introduced all present at the meeting.
- IV. The minutes for the October 11, 2006 meeting were approved as presented.
- V. Items from Internal Auditing
  - A. Mr. Bryant relinquished the floor to Ms. Betsy Bowers, who had conducted the Quality Assurance Review. She stated the Office of Internal auditing generally conforms to the IIA Standards and gave a brief review of the seven areas identified during the review for improvement to further comply with professional requirements and efficiency/effectiveness. In addition, Ms. Bowers recommended the next Quality Assurance review be conducted in three years rather than five.

Of the areas noted, the Committee discussed the effect additional time devoted to more interaction with District administration and Management consulting activities could possibly have on the annual work plan. The Committee also requested a response from Mr. Bryant to the areas noted for improvement at the next meeting and suggested quarterly updates.

The Committee thanked Ms. Bowers for volunteering her time to conduct the Quality Assurance Review.

A motion was made by Virginia Yeagle, seconded by Jenny King and passed unanimously to accept the report of the Quality Assurance Review presented by Ms. Bowers.

- B.
  1. Mr. Bryant presented the Brownsville Middle School Internal Funds Audit for fiscal year ended 2005-2006 with findings. He stated the audit findings overall were representative of comments noted in the District wide report. In addition, he stated recent follow-ups in some areas reflect some improvement. Mr. Bryant responded to questions as to why he thought the problems noted in the findings were occurring at this school. His statement noted several possibilities; internal promotion, lack of financial training, limited time for District personnel to train and lack of knowledge regarding rules and regulations. The Committee commented as to the length of time certain problems had continued. Ms. Michele Kiker, Auditor, stated the bookkeeper's personal problems had also been a factor.

During the discussion Mr. Bryant stated auditors had spent more time this year reminding principals and secretaries/bookkeepers of the rules, regulations and procedures when problems were not significant in individual school audits instead of writing findings. However, he stated these problems were prevalent District wide. They were included as comments in the District wide report. Mr. Bryant added if these same problems were found in next year's individual school internal funds audits, they would be considered findings at the individual school level.

A motion was made by Virginia Yeagle, seconded by Earl Lee and passed unanimously to accept the internal funds audit with findings as presented.

2. Mr. Bryant asked the Committee for their input on conducting interim internal accounts audits. He stated two are currently being conducted after a bookkeeper vacancy was filled by a bookkeeper from another school through promotion. The Committee agreed there was a need to conduct a stream-lined audit to validate processes and procedures and provide a level of assurance for administration and the new person. In addition, the Committee stated these audits should be requested by the District. As part of the audit, they suggested conducting cash counts and reconciling bank accounts in addition to validating processes and procedures followed by the bookkeeper/secretary.
3. a. Mr. Bryant asked Ms. Michèle Kiker, Auditor to discuss the Food Service Procurement Review. Ms. Kiker stated three Departments were included in the testing of a review conducted as follow-up to District's response to the procurement section of a DOE Food Service Audit. The review documented actions taken were those noted in DOE audit response.

A motion was made by Earl Lee, seconded by Bill Cox and passed unanimously to accept the Food Service Procurement Review as presented.

- b.
  1. Mr. Bryant reported Ms. Amber Culleiton, Auditor, had completed field work for the Travel Claims Audit.
  2. Mr. Bryant stated the review of the Purchasing Card Program for school internal accounts was being conducted primarily to look at controls, policies and procedures at several schools before this program becomes larger. Ms. Kiker, the auditor conducting the review, reported the possibility of confusion between controls for the District Purchasing Card and Internal Funds Purchasing Card. It was suggested that the outcome of the review could warrant adding this area back to the internal account audit work program.
  3. Mr. Bryant announced Ms. Culleiton was just beginning to conduct an Ethics review. He reported surveys had been sent to 10 % of District employees.
  4. Ms. Smith commented there was a copy of notice to conduct an Extra Pay Review in the Committee's information packet.
4. Mr. Bryant announced the department's participation in two District investigations. He stated the department's involvement had been limited. A narrative of the work completed was provided to the Human Resources Department, who had requested the department's participation.
- C.
  1. Mr. Bryant presented the annual budget with discussion of all areas noting additional items as well as increases and decreases in budget requests.

A motion was made by Earl Lee, seconded by Bill Cox and passed unanimously to accept the annual budget as presented.

2. Mr. Bryant stated Charter Changes had been pulled.
3. Mr. Bryant requested the Committee provide a recommendation for contract renewal for the two auditors and himself for the next fiscal year. Discussion followed of differences

between pay grades and pay for Senior Auditors, Senior Financial Analysts and Purchasing Agents including job description language. Mr. Bryant stated his desire to have these classifications be more equal in grade/pay to include job language to deter the loss of auditors to Senior Analyst positions.

Committee members commented as to a job well done by Mr. Bryant.

A motion was made by Bill Cox, seconded by Earl Lee and passed unanimously to recommend Michèle Kiker, Amber Culleiton, and David Bryant for annual contracts.

4. Mr. Bryant reviewed the annual work plan analysis; giving members a status of hours remaining as of the end of February. He stated next year's work plan would be formalized with a risk assessment.

5. A brief synopsis on FASBO (Florida Association of School Business Officials) was provided in Committee packets.

6. Mr. Bryant stated the Audit Committee Chair needed to complete an evaluation for the Auditing Director as noted in the Charter. Ms. Susan Reed discussed steps taken for evaluations of past directors and stated she would contact her with more definite information. Ms. Smith requested a timeline of annual Committee responsibilities to help her as the new Chair.

7. Mr. Bryant announced staff accomplishments and goals for job related certifications. He also requested Committee support for CGAP and CFSA certification. The Committee was unsupportive of CFSA stating it was not job related.

VI. Mr. Bryant stated the Correspondence section of the agenda packet contained a copy of a memo sent from him in support of adding a position to handle internal funds operational responsibilities.

VII. Jenny King requested clarification on an e-mail received in reference to an additional Internal Funds position as part of the Auditing Department. Mr. Bryant reported Auditor General staff had responded they would have a problem relying on the opinion of the internal auditor if the report included a disclosure stating the department was not independent with respect to internal accounts. This statement would be required if the internal accounts position would be part of the Internal Auditing Department.

After hearing requests from a couple of the committee members for earlier mail outs of meeting packets, Mr. Bryant stated it would be sent earlier.

VIII. Mr. Bryant stated Ms. Betsy Bowers had asked him and Ms. Kiker to serve as officers in the local chapter of the IIA. The Committee discussed involvement of auditors/director in professional organizations and determined it would be best if no more than one person at a time served per organization.

IX. The next meeting will be set at a later date. A suggestion was made to choose a day/week/time each month for the purpose of holding an Audit Committee meeting with the option to cancel when one is not needed.

X. Ms. Smith adjourned the meeting at 7:12 p.m.

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Secretary

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Chair