

**The Escambia County School District
Audit Committee Meeting
Minutes, September 24, 2007**

- I. Martha Smith, Chair, called the meeting of the Audit Committee to order at 5:15 p.m. in the Conference Room B of the Vernon McDaniel Building, 215 West Garden Street, Pensacola, Florida 32502. Other committee members in attendance were: Jennifer King and Bill Cox. Those also present were: David Bryant, Director, Internal Auditing; Barbara Linker, Assistant Superintendent, Finance; Gloria Johnson, Director, Accounting Operations; Leslie Scott, Financial Analyst, Accounting Operations; Michèle Kiker, Senior Internal Auditor; Jason Gilmore, Internal Auditor and Susan Reed, Administrative Secretary III, Office of Internal Auditing, recording the minutes.
- II. The Committee adopted the agenda as presented.
- III. There was no public input.
- IV. The minutes for the June 4, 2007 meeting were approved as presented.
- V. Items from Internal Auditing

Mr. David Bryant introduced the new internal auditor, Mr. Jason Gilmore, who had been hired to replace Ms. Amber Culleiton. He stated Mr. Gilmore had previously worked for the Council on Aging and prior to that the Defense Contract Audit Agency.

Mr. Bryant also commented Miss. Jennifer Elkins had been hired to replace one of our interns, Miss. Diane Martinez, who recently left to take a job with Saltmarsh Cleaveland & Gund.

Mr. Bryant introduced the new financial analyst, Leslie Scott, who had been hired in Accounting Operations to work with bookkeepers/secretaries in the area of internal funds.

- A.
 1. There were no internal funds audits with findings.
 2. Mr. Bryant stated all internal funds audits had been completed. He stated the audits noted on the agenda had no findings. In addition, he stated field work had been completed for audits with findings, commenting the next step would be exit conferences. Mr. Bryant also reported about 30 full audits were performed, an increase from last year caused by school closures. Full audits included schools with new principals or new bookkeepers/secretaries or both. In addition, he stated more schools had findings, which reflects the shifting of responsibility from the District level to the school level. Mr. Bryant commented external auditors had already reviewed internal funds audits.

A motion was made by Jennifer King, seconded by Bill Cox and passed unanimously to accept the internal funds audits without findings as presented.

3. a.
 1. Mr. Bryant reported the office had performed an audit of schools internal funds purchasing cards. He stated the Director of Purchasing had requested the audit be performed before participation in the card program expanded. The audit included determining if guidelines and procedures had been followed and if purchases were in compliance with District policies.

A motion was made by Bill Cox, seconded by Jennifer King and passed unanimously to accept the Purchasing Card Program School Internal Accounts Audit as presented.

2. Mr. Bryant reported a review of the District Ethics policy had been conducted according to IIA guidelines, which include looking at design, implementation and effectiveness. He stated comparisons were made to other school districts. He noted only one had a separate code of ethics. Mr. Bryant reported the District Code of Ethics hotline had been non-functioning but since the audit, calls now go the Administrative Secretary for Human Resource Services. He pointed out there is a conflict with regards to the recommendation to have an anonymous hotline and language in the union contract. Mr. Bryant also reported surveys had been sent out to a random sample of District employees. Responses from the surveys reflected a high percentage of employees not completing District training. Mr. Bryant stated a recommendation was made to have follow-up from supervisors and penalties for non-compliance. Committee member, Bill Cox, suggested giving a paper exit interview with a self addressed envelope to all departing employees that could be returned at a later date.

A motion was made by Bill Cox, seconded by Jennifer King and passed unanimously to accept the Ethics Review as presented.

3. Mr. Bryant reported the principal from Bratt Elementary had requested a review of their PTA's records to validate financial records. He stated the analysis revealed poor record keeping but verified funds appeared to be spent appropriately.

A motion was made by Bill Cox, seconded by Jennifer King and passed unanimously to accept the Bratt Elementary Parent Teacher Association Review as presented.

3. b. 1. Mr. Bryant reported he was working on a revised draft of the Travel Claims Audit, which should be ready to send out this week.

2. Mr. Bryant stated he had reviewed extra pay time sheets to see if things noted in prior audits had been corrected. He stated the concerns of the prior year's audit appear to have been addressed, except one, which should be corrected by new District software.

4. Mr. Bryant reported the office had participated in two investigations. He discussed items noted in the Pensacola News Journal regarding the Transportation Garage and steps taken to provide evidence. Mr. Bryant stated the investigation had been turned over to Human Resources.

Mr. Bryant reported a second non-related investigation had ended with the retirement of one employee.

Mr. Bryant requested guidance from the Committee as to amount of time to allot in the annual work plan for investigations. The Committee did not suggest any specific time allotment but encouraged Mr. Bryant to consider materiality and risks, and to continue to be an integral part of management.

B. Mr. Bryant summarized the other issues noted on the agenda as follows:

Mr. Bryant stated the new auditor, Mr. Jason Gilmore had been selected from a pool of 36 applicants, from which six were interviewed. He stated Mr. Gilmore was the interview committee's unanimous choice.

Mr. Bryant stated he had been unsuccessful in finding a replacement for the Board representative for the Committee.

Mr. Bryant informed the Committee of Ms. Michèle Kiker's promotion to Senior Auditor.

Mr. Bryant announced he and Ms. Kiker had passed the CGAP test, which completed requirements necessary for Ms. Kiker's promotion to Senior Auditor. He plans to take two remaining parts of the CIA exam and Ms. Kiker plans to take one remaining part. In addition, Mr. Gilmore plans to pursue this certification.

VI. Mr. Bryant commented the promotion process for Ms. Michèle Kiker to Senior Auditor had been completed and the new intern had been hired.

VII. There were no items from Committee members.

VIII Mr. Bryant announced he would present his annual work plan at the next meeting and requested input from the Committee.

Mr. Bryant announced the start of the George Stone Audit, which being a unique facility would require a different approach.

Mr. Bryant commented the District had received word of District insurance companies' notification to pay full claim for Hurricane Ivan.

IX. The Committee chose to have the next meeting tentatively scheduled for December 3, 2007.

X. Ms. Smith adjourned the meeting at 6:05 p.m.

Secretary

Chair

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