

**The Escambia County School District  
Audit Committee Meeting  
Minutes, December 3, 2007**

- I. Martha Smith, Chair, called the meeting of the Audit Committee to order at 5:22 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, 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; Debbie Fussell, Financial Analyst, Food Service Accounting and Travel; Michèle Kiker, Senior Internal Auditor; Jason Gilmore, Internal Auditor; Jeanne Pilgrim, Property Records Technician, Office of Internal Auditing and Susan Reed, Administrative Secretary III, Office of Internal Auditing, recording the minutes.
- II. The Committee adopted the agenda to include the addition of back-up to the Brentwood Middle School Audit.
- III. There was no public input.
- IV. The minutes for the September 24, 2007 meeting were approved as presented.
- V. Items from Internal Auditing
- A. 1. There were twenty-one internal funds audits with findings. Mr. Bryant presented audits with findings for the 2006-2007 fiscal year, which included the following:
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|----------------------------------|---------------------------------|
| A K Suter Elementary School      | Bratt Elementary School         |
| Blue Angels Elementary School    | Brentwood Elementary School     |
| Brentwood Middle School          | Brownsville Middle School       |
| C A Weis Elementary School       | Edgewater Elementary School     |
| Ensley Elementary School         | Escambia High School            |
| Lincoln Park Elementary School   | Longleaf Elementary School      |
| Molino Park Elementary School    | Montclair Elementary School     |
| O J Semmes Elementary School     | R C Lipscomb Elementary School  |
| Reinherdt Holm Elementary School | Spencer Bibbs Elementary School |
| Warrington Elementary School     | Warrington Middle School        |
| Woodham High School              |                                 |

Mr. Bryant reported the increase in the number of schools with findings was caused by the accountability for findings being placed on individual schools as requested by District Management. In addition to a selected number of schools, he stated the internal funds audit sample included schools with new principals and/or new secretaries/bookkeepers, which will all become part of the District-Wide report. Mr. Bryant stated Ms. Kiker had discussed the findings noted in audits this year at the recent Bookkeeper/Secretary workshop to make them aware of what auditors were looking for when conducting audits. He also stated he believed policies and procedures were already in place, which addressed the reported audit findings. The Committee expressed concerns for the likelihood of repeat findings and the lack of responses taking personal responsibility. Mr. Bryant told the Committee next year would be the third year of the 3 year audit cycle for internal funds. He expressed his belief that the number of findings would decrease, since there now was a full time person working with internal funds.

The Committee questioned the value of sending individual internal funds audits to the Board for approval when they are samples for the District-Wide report. They also suggested using a spreadsheet to track internal funds audits especially those with findings needing follow-ups to share with Committee members and Board members.

A motion was made by Earl Lee, seconded by Jenny King and passed unanimously to accept the internal funds audits with findings as presented.

2. Mr. Bryant presented the three audits without findings. There was no discussion.

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

3. a. 1. Mr. Bryant presented an audit of District Travel Claims, which had been conducted by Amber Culleiton, before she left the department. He stated claims totaled approximately \$1.3 million for fiscal year 2005-2006. Mr. Bryant also stated claims are processed by one employee under the supervision of Debbie Fussell, Financial Analyst. Mr. Bryant reported overall, travel claims appear to be processed accurately and in a timely manner. He discussed briefly some of the concerns noted in the audit including approval signatures, car size variances and departure dates. District personnel discussed the lack of control their department had in certain areas such as timeliness in receipt of T(2) and T(3) forms because of necessary signature approvals. They also suggested ticket purchases prior to fourteen (14) days could include reissued tickets.

The Committee expressed concerns with the report of minimal percentages but more importantly the higher percentage of airline tickets purchased within 14 days of departure. They discussed the need for policy or some other avenue of informing employees as to the importance of purchasing tickets prior to fourteen (14) days before departure so the District could take advantage of lower airfare prices. The Committee asked how much it had cost the District for purchases made prior to fourteen (14) days and suggested employees noting justification on forms for these purchases.

A motion was made by Earl Lee, seconded by Jennifer King and passed unanimously to accept the Travel Claims Audit as presented.

- a. 2. Mr. Bryant reported a follow-up to the O J Semmes After School Child Care Audit had been conducted and stated a follow-up memo had been sent. He also stated weaknesses had been addressed and recommendations had been implemented.

A motion was made by Jenny King, seconded by Earl Lee and passed unanimously to accept the O J Semmes After School Child Care Follow-up Audit as presented.

3. b. Mr. Bryant summarized the progress of incomplete audits being conducted by the department. He stated he was in the process of writing up the Extra Pay Review and was completing the District Wide Internal Funds Audit.

Mr. Bryant reported other members of the department had been working on several areas at the George Stone Vocational Center. He stated the areas included Cosmetology, Automotive Service-Technology, Collision Repair and Marine Service. In addition, he stated the principal, who was new, had requested the department audit these areas in which he had concerns.

Mr. Bryant also stated the department had participated in a Cafeteria investigation, which had been turned over to Human Resources.

4. Mr. Bryant reported other investigations of sensitive material had been conducted in conjunction with Human Resources, which would not involve report writing. The Committee noted a desire for information regarding amount of time used and summary of major controls and issues noted in general terms.

B. 1. Mr. Bryant presented an actual work plan for July through December 2007. He discussed the difficulty in meeting with District Administrators during the specified time for developing the department Risk Assessment and Annual Work Plan.

2. Mr. Bryant stated future annual work plans would be based on a calendar year instead of the District's fiscal year. He also reported he had recently met with the Board Chair to discuss the Risk Assessment in preparation for developing the work plan.

3. Mr. Bryant reported the job description for the Property Inventory Technician needed to be revised to reflect what the present job actually requires since significant changes occurred several years ago. Mr. Bryant discussed aspects of the position requirements with the Committee. The Committee asked Mr. Bryant to explore the possibility of meeting state statutes by conducting inventories of a cost center sample.

4. Mr. Bryant reported a replacement for a Board Representative had not be found and suggested charter language may need to be changed in order to help provide a broader pool of member possibilities.

5. The Committee Chair requested the Internal Auditing Secretary's help with setting appointments to complete the Director's Evaluation.

VI. There were no items from Committee members.

VII. There were no announcements.

VIII. The Committee chose January 28, 2008 as the date for their next meeting.

IX. Ms. Smith adjourned the meeting at 7:15 p.m.

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Secretary

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Chair

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