

**ESCAMBIA COUNTY SCHOOL BOARD**  
**AUDIT COMMITTEE**  
**MINUTES**  
**January 25, 2016 – 3:00 PM**

**I. CALL TO ORDER**

Tod Wilson, Audit Committee Chair, called the meeting of the Audit Committee to order at 3:07 p.m. in the Human Resource Conference Room, 75 N. Pace Blvd, 1st Floor, Pensacola, FL 32505. Those present were:

Tod Wilson	David Bryant, Director, Office of Internal Auditing
Zack Hannah	Michèle Kiker, Senior Auditor
Dr. Chula King	Brad Mostert, Senior Auditor
Diane Martinez	

Jeremy Williams, Auditing Administration Specialist, recording the minutes.

**II. ADOPTION OF AGENDA**

A motion was made by Dr. King and seconded by Ms. Martinez to adopt the agenda. Motion passed unanimously.

**III. PUBLIC INPUT – There was no public input.**

**IV. APPROVAL OF MINUTES FROM MEETING OF MAY 4, 2015**

Mr. Bryant stated the minutes needed to be amended to change the year 2103 to 2013 under District Fraud, Waste and Abuse Anonymous Hotline Review item. A motion was made by Dr. King and seconded by Ms. Martinez to approve the amended minutes for the May 4, 2015 meeting. Motion passed unanimously.

**V. ITEMS FROM INTERNAL AUDITING**

**A. Items for Approval**

**1. Internal Accounts Audits**

- a. 2014-2015 Internal Accounts Audits without findings (6 Schools) – Mr. Bryant stated there were no problems to report.
- b. 2014-2015 Internal Accounts Audits with findings (9 Schools) – Mr. Bryant stated no major violations were made by the schools and that the findings were usual compliance issues.
- c. 2014-2015 Warrington Elementary School Internal Accounts Audit – Mr. Bryant stated there were numerous compliance violations noted during the audit. The violations may have been caused by a combination of a new principal and new secretary. He indicated that it was unclear to what extent these violations impacted the accuracy of the financial information reported by the school.
- d. 2014-2015 Escambia High School Internal Accounts Audit – Mr. Bryant discussed the numerous compliance violations noted during the audit, including matters related to the bookkeeper of the school. Due to what appeared to be a continued disregard for established rules, policies, and procedures, it is unclear if the financial information reported by the school can be relied upon.
- e. District-wide Report on School Internal Accounts – Mr. Bryant discussed the audit comments included in the report.

A motion was made by Dr. King and seconded by Ms. Martinez to accept items a-e. Motion passed unanimously.

2. 2013-2014 Food Service Procurement Review – Mr. Bryant stated there were no issues noted during the review. A motion was made by Dr. King and seconded by Ms. Martinez to accept the review. Motion passed unanimously.
3. NHS Baseball Booster Club Investigation – Mr. Bryant discussed the initial complaint which led to the investigation, and the resulting report. A motion was made by Dr. King and seconded by Ms. Martinez to accept the review. Motion passed unanimously.
4. NHS Booster Clubs – Compliance Update – Mr. Bryant stated several clubs, with the exception of the baseball booster, still lack corporate and IRS documentation. The Office of Internal Auditing will continue to work to help clubs gain compliance with rules. A motion was made by Mr. Hannah and seconded by Ms. Martinez to accept the review. Motion passed unanimously.
5. College Co-Op/Intern Pay – Mr. Bryant indicated that the pay rate for the office interns had not been adjusted in over eight years, and that a methodology for determining the rate of pay had not been previously established. Mr. Bryant presented intern pay rates from several comparable organizations. He also presented multiple options for determining pay in the future, including setting intern pay at a percentage of entry-level auditor pay or determining the going rate for interns every 3-5 years. After significant discussion by the committee members, Dr. King made a motion to recommend to the School Board that the intern pay be raised to \$13-\$15, and that in the future the Director of Internal Auditing conduct research every three years to determine current rates at the time. Ms. Martinez seconded the motion. Motion passed unanimously.

B. Items for Discussion

1. FEMA – Mr. Bryant discussed FEMA's response to the District's request for Small Project Netting. He stated that a second appeal has been filed.
2. George Stone Financial Aid – Mr. Bryant reviewed the findings made by the Auditor General from the 2013-2014 audit of George Stone and subsequent actions.
3. Newpoint Investigation – Mr. Bryant explained the allegations related to Newpoint charter schools and briefed the committee members on the department's assistance to the State Attorney's Office.
4. Outside Support Organizations – Mr. Bryant discussed the responsibilities and duties of the Office of Internal Auditing in helping with outside support organizations. Mr. Bryant discussed steps taken to ensure there would be no conflict of interest by helping these organizations.
5. PHS Band Booster Club Investigation – Mr. Bryant discussed the allegations and that Michele Kiker had been assigned to investigate the matters.
6. District-wide Risk Assessment – Mr. Bryant stated the assessment is not complete, but should be completed in the near future.
7. 2014-2015 Food Service Procurement Review – Mr. Bryant stated this review is in the beginning stages and would be complete in the next few months.

VI. ITEMS FROM COMMITTEE MEMBERS – None submitted.

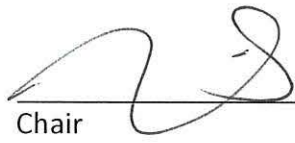
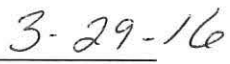
VII. ANNOUNCEMENTS – None Submitted.

VIII. NEXT MEETING DATE – To be announced.

IX. ADJOURNMENT – A motion to adjourn was made by Mr. Wilson and seconded by Ms. Martinez. Motion passed unanimously. The meeting ended at 3:57 p.m.

  
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Auditing Administration Specialist

JW

   
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Chair Date