

ESCAMBIA COUNTY SCHOOL BOARD
AUDIT COMMITTEE
MINUTES
May 4, 2015 – 1:00 PM

I. CALL TO ORDER

Tod Wilson, Audit Committee Chair, called the meeting of the Audit Committee to order at 1:13 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, Auditor
Diane Martinez	Kelly Chen, Intern
Earl Lee	

Pamela Riley, Audit 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 MARCH 3, 2015

A motion was made by Dr. King and seconded by Ms. Martinez to approve the minutes for the March 3, 2015 meeting. Motion passed unanimously.

V. ITEMS FROM INTERNAL AUDITING

A. Items for Approval

1. Internal Accounts Audits – (None)
2. Analysis of Legal Fees and Comparison to other Florida Districts – Mr. Bryant discussed the purpose of the analysis, including the usage of internal and external counsel. A significant amount of information was gathered, but no recommendations were given. Pros and cons of both types of counsel were given. A motion was made by Dr. King and seconded by Ms. Martinez to accept analysis. Motion passed unanimously.
3. Outside Support Organization Compliance Review – Mr. Bryant discussed the operations of Outside Support Organizations (OSO), the results of the reports, and the recommendations to correct compliance. A motion was made by Dr. King and seconded by Ms. Martinez to accept review. Motion passed unanimously.
4. Pine Forest High School Band Booster Review – Mr. Bryant discussed the reason for the review, which resulted in findings of lack of sound business practices. Stated examples and recommendations were given to the booster club. A motion was made by Dr. King and seconded by Ms. Martinez to accept the review. Motion passed unanimously.
5. District Fraud, Waste and Abuse Anonymous Hotline Review – Mr. Bryant discussed the overview of the hotline established in 2013 and its functioning in 2014. Recommendations were brought forward, including a recommendation for the advertisement and redesign of posters and stickers for the hotline. A motion was made by Dr. King and seconded by Mr. Lee to accept review. Motion passed unanimously.
6. 2014-2015 Annual Work Plan – Mr. Bryant discussed next annual work plan will be for a 6 month to 3 year period. A motion was made by Dr. King and seconded by Ms. Martinez to accept work plan. Motion passed unanimously.

B. Items for discussion

1. Internal Accounts Audits – Mr. Bryant discussed the audit follow ups which were recently performed and discussed the audits that will be performed for 2014-2015.
2. Risk Assessment – Mr. Bryant stated he will evaluate what Michele has learned from initial interviews. He envisions following the UWF model annually and seeing if anything has changed.
3. FEMA/Flood Damages – Mr. Bryant indicated that the \$5.3 milling in flood damages were submitted to FEMA. Mr. Bryant advised that insurance coverage would be primary, and FEMA would pay for the District’s deductible and potential hazard mitigation at Brentwood and Holm Elementary schools. Mr. Wilson inquired as to the District’s deductible. Mr. Bryant stated the deductible was only \$100,000, the damage was not from the named storm event, like a hurricane, which has a higher deductible.
4. Tate High School Fictitious Meals Investigation – Mr. Bryant stated the issue has been resolved. The defendant took a no contest plea deal. Mr. Wilson asked if the defendant would lose their retirement. Mr. Bryant stated the state attorney will look into that issue.
5. Ferry Pass Elementary Fictitious Meals Investigation – Mr. Bryant stated the issue has been resolved through a plea of no contest. The amount of overpayment of approximately \$250,000 will to be returned to the state. The defendant was sentenced to 1 year in jail, which was suspended, along with 10 years of probation and was ordered to pay restitution of approximately \$10,000.
6. Food Service Procurement Review – Mr. Bryant stated defendant and State Attorney’s Office reached a plea deal. The defendant plead guilty and was ordered to pay restitution of approximately \$7,000 and serve 30 months of probation. Mr. Bryant also indicated that as a result of the review/investigation the defendant faced potential prosecution by the Social Security administration for failure to report wages.
7. Newpoint Pensacola Academy and High School Investigation – Mr. Bryant discussed the overview of the investigation which included grade tampering, inappropriate activity with children, and missing money. Mr. Bryant indicated that he and Brad Mostert would be representing Internal Auditing during the initial investigation.

VI. ITEMS FROM COMMITTEE MEMBERS – None submitted.

VII. ANNOUNCEMENTS


Pamela Riley is retiring and there will be changes to her job description. Linda West is also retiring and the School Board members have asked Mr. Bryant to head the process for finding her replacement.

VIII. NEXT MEETING DATE – None submitted.

IX. ADJOURNMENT – A motion to adjourn was made by Mr. Wilson and seconded by Mr. Hannah. Motion passed unanimously. The meeting ended at 2:16 p.m.


Secretary

JW


Chair

1-28-16
1-25-16
Date