

The Escambia County School District
Audit Committee Meeting
Minutes, February 13, 2006

- I. Fred Hurd, Chair, called the meeting of the Audit Committee to order at 5:04 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, Virginia Yeagle and Bill Cox. Those also present were: Scott Woody, Director, Internal Auditing; Debbie Fussell, Senior Financial Analyst; Michele Kiker, Benefits Analyst, David Bryant, Auditor; and Susan Reed, recording the minutes. Committee member, Earl Lee was not in attendance.
- II. The Committee adopted the agenda.
- III. There was no public input.
- IV. The minutes for the December 7, 2005 meeting were approved with one addition to section VI as follows.

In response to a question from Mr. Cox, Mr. Woody stated according to state laws, internal funds audits are conducted at all schools annually. Mr. Cox stated it appeared internal funds audits were not the best use of the department's time. He suggested that audits could be conducted less often or on a percentage basis and asked if the Board could pursue legislative changes to the current requirements for internal funds audits.

V. Items from Internal Auditing

- A. Mr. Woody presented four (4) completed internal funds audits for fiscal year ending June 30, 2005 with findings and nine (9) audits for fiscal year ending June 30, 2005 without findings.

Mr. Woody reported that the findings noted on the audits, other than segregation of duties, included not following fundraiser and outside support organization guidelines. He stated guidelines were written a couple years ago. Mr. Woody also stated principals and secretaries/bookkeepers were instructed as to what records would be required according to these guidelines the first year after they were written. He reported it was noted in field notes last year when guidelines were not being followed and the auditees were instructed that continuing to not follow these guidelines would warrant a finding in this year's audit. Mr. Woody stated five of eight high school audits contain one or both of these findings.

Mr. Woody reported that he and Michele Kiker had completed their work dealing with the audit request mentioned at the last meeting.

A motion was made by Virginia Yeagle, seconded by Jennifer King and passed unanimously to accept the audits presented.

- B. 1. Mr. Woody stated Ms. Barbara Linker, Assistant Superintendent Finance, had formed a committee to address the segregation of duties problem. He stated he as well as staff would have input as to how this problem could be corrected.
2. The Committee discussed the budget. Mr. Woody pointed out that the budget did not include payroll or benefits. A brief budget summary was presented by Susan Reed. Mr. Woody

stated that the Quality Assurance Review needed to be completed by January, 2007 explaining that this was an IIA Standard. He also stated the department budget for 2006-07 was based on the same number of staff as this year's budget.

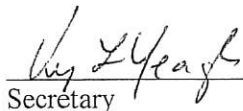
A motion was made by Bill Cox, seconded by Jennifer King and passed unanimously to accept the 2006-07 budget for the department as presented.

3. Mr. Woody announced the resignation of Michele Kiker, Auditor. He stated he had requested a salary increase for her but there had been no response to his request. In the meantime, she interviewed and accepted a position in Risk Management working with benefits, which was a promotion. Mr. Woody reported he had requested approval to advertise and fill the auditor position three weeks ago but has not heard anything back regarding his request.

4. Mr. Woody announced his wife had taken a position in Oklahoma and that he would be resigning with his last day of work being February 21. He stated that he planned to recommend to the Board that in addition to the Director, the Department should be moved under the Board to be fully independent. Mr. Woody asked the Committee to recommend the Board appoint David Bryant, Auditor, as the Interim Director until a new director can be hired to ensure the completion of annual internal funds audits and enable the Committee to hold meetings. He stated Mr. Bryant met the minimum requirements. In addition, Mr. Woody stated the department's involvement with hurricane recovery had saved the District 2.25 million dollars through Mr. Bryant's efforts. Mr. Woody reported that he would assemble a search committee to select the new Director for presentation to the Board Chair.

A motion was made by Jennifer King, seconded by Virginia Yeagle and passed unanimously to recommend David Bryant as Interim Director. Mr. Hurd stated he would send a letter to the Board to recommend Mr. Bryant.

- VI. There were no items from the members.
- VII. Susan Reed announced there would be a reception for Mr. Woody on Tuesday, February 21 from 3:00 to 4:30 p.m.
- VIII. The next meeting will be set at a later date. The Committee agreed to continue with the meeting time of 5:00.
- IX. Mr. Hurd adjourned the meeting at 5:55 p.m.


Secretary


Chairman