

ESCAMBIA COUNTY SCHOOL BOARD
AUDIT COMMITTEE
Meeting Minutes
JUNE 30, 2009

I. CALL TO ORDER

Martha Smith, Chair, called the meeting of the Audit Committee to order at 5:30 p.m. in Conference Room B of the Vernon McDaniel Building, 215 West Garden Street, Pensacola, Florida, 32502. Those present were David Bryant, Director, Office of Internal Auditing; Earl Lee; Justin Labrato; Amy Daniel Zoesch; Barbara Linker; Martha Smith; Tod Wilson; Andi Wiesenfeld; Justin Cook, Auditor; and Michèle Kiker, Senior Auditor, recording the minutes.

II. ADOPTION OF AGENDA

A motion was made by Ms. Wiesenfeld and seconded by Ms. Zoesch to adopt the agenda as presented. Motion passed unanimously.

III. PUBLIC INPUT- There was no public input.

IV. APPROVAL OF MINUTES FROM MEETING OF MARCH 30, 2009

A motion was made by Ms. Wiesenfeld and was seconded by Mr. Labrato to approve the minutes for the March 30, 2009 meeting. Motion passed unanimously.

V. ITEMS FROM INTERNAL AUDITING

Mr. Bryant introduced Tod Wilson who is replacing Ms. Smith. Everyone introduced themselves.

- A. Internal Accounts Audits – Mr. Bryant discussed that internal accounts audits have begun and explained the compliance aspects of the audits. Mr. Bryant stated the district- wide report would be ready in September and go to the Audit Committee in October.
- B. Other Audits/Reviews – Mr. Bryant discussed the following:
1. 2008-2009 Food Service Procurement Review – The review draft is pending discussion with management.
 2. Transportation Time Analysis – A draft report has been issued. A management response may be delayed due to the non-renewal of the contract for the Director of Transportation. Mr. Bryant stated that the time for 28 employees was reviewed. Preliminary results indicated that 19 employees reported more time than time per GPS reports.
 3. George Stone Technical Center – Welding Technology Program Review – Mr. Bryant presented the final report with management response. He indicated that additional explanatory language would be added regarding job training orders.
 4. Bellview Elementary PTA Review – Mr. Bryant presented the final report. He indicated the review was at the request of the Bellview Elementary Principal and the PTA President. Lack of segregation of duties was discussed. Recommendations were made for future cash collections.
 5. Charter School Audits – Mr. Bryant stated that the District had expressed concerns about the ability of charter schools to weather the current economic recession. And as such, the District requested financial reviews of certain charter schools.

- a. Ruby J. Gainer School for Reaching Your Dreams – Mr. Bryant stated that the review had started, but during the course of the review, the charter school board elected to not renew its charter and close the school effective 6/30/09.
- b. Jacqueline Harris Preparatory Academy – Mr. Bryant indicated an engagement letter had been issued.
- c. Escambia Charter School – Mr. Bryant indicated an engagement letter had been issued.

A motion to approve the completed audits and reviews was made by Mr. Lee and seconded by Ms. Zoesch. Motion passed unanimously.

C. Investigations & Management Consulting Activities

1. The investigation of Life Skills Center was completed; which indicated there was approximately \$500,000 in questionable transfers made to non school-related entities. Mr. Bryant stated that the CEO and CFO of the Land Trust operating the school were arrested.
2. Mr. Bryant discussed management's request for "auditor presence". Ms. Linker stated she would like a review of perhaps 10 transactions per month for various departments/segments be included in the annual work plan. Ms. Linker felt increased auditor presence would help deter potential wrongdoing. Ms. Linker also suggested the Office of Internal Auditing present a fraud seminar to principals.

D. Other Issues – Discussion Items

1. Director Evaluation – Ms. Wiesenfeld is currently conducting the evaluation.
2. New Committee Member – Ms. Smith's departure from the Committee was announced and she was thanked for her service. Mr. Tod Wilson, Mrs. Smith's replacement, was introduced.
3. Annual Work Plan – Mr. Bryant is working on the Annual Work Plan. He indicated there would be an increase in time for management consulting and investigations.

- VI. ITEMS FROM COMMITTEE MEMBERS – Ms. Smith discussed the rewarding experience she had seeing Mr. Bryant's growth.
- VII. ANNOUNCEMENTS – The death of Mr. Bob Reed, Mrs. Susan Reed's husband, was announced. Ms. Reed was the former secretary for the Office of Internal Auditing.
- VIII. NEXT MEETING DATE – To be determined.
- IX. ADJOURNMENT -- A motion to adjourn was made by Ms. Wiesenfeld, seconded by Mr. Lee, and passed unanimously. The meeting ended at 6:50 p.m.



11-2-09