

**Audit Committee Meeting
October 16, 2020 – 10:00 a.m.
Virtual Meeting**

Meeting Minutes

Audit Committee Members Present

Linda Nelson, Vice Chair
Allen Stucks
Jim Davis
Herbert Bailey
Julie Leftheris
Pat Weaver
Alan Blay

Leon County School Board Staff Present

Rocky Hanna, Superintendent
Opal McKinney-Williams, School Board Attorney
Livetra Paul, Director of Internal Auditing
Olivia Willis, Internal Auditor
Dana Earnest, Executive Assistant
June Kail, Director of Purchasing
Kim Banks, Chief Financial Officer

Call to Order

The meeting was called to order at 10:02 AM by Audit Committee Vice Chair Linda Nelson.

Welcome

Rocky Hanna thanked the committee for their work on the LCS Audit Committee. He shared his appreciation for the valuable contribution the committee provides for the District. The Superintendent shared his perspective of the findings and recommendations included in Florida Auditor General Operational Audit Report No. 2021-031.

Approval of Meeting Agenda

The meeting agenda was unanimously approved. The motion was provided by Alan Blay and seconded by Julie Leftheris.

Approval of Prior Meeting Minutes

The committee unanimously approved the meeting minutes from the September 18, 2020 Audit Committee meeting. The motion was provided by Allen Blay and seconded by Pat Weaver.

Audit Committee Report to School Board

No report provided.

Audit Reports - External

Ms. Paul provided an overview of issued and ongoing external audits. She summarized the results from Florida Auditor General Operational Audit Report No. 2021-031. The report was issued in October 2020. The report included follow up audit activities in response to the Auditor General's prior Operational Audit No. 2018-067. All corrective actions had been fully implemented for any audit findings included in the prior audit.

There were two findings included in the current report (Report No. 2021-031) as follows:

Finding 1: Procurement Process – Contracted Services – District records did not always demonstrate compliance with State Board of Education competitive solicitation and direct negotiation requirements.

Of the 30 contracts reviewed, concerns were expressed about two contracts - the school security support services and the bus routing services. The District procured the school security support services contract through direct negotiations using the IT exemption allowed in statute. The Auditor General's Office reviewed the contract and determining that a competitive selection would have been a more suitable option. For the bus routing services contract, concerns were expressed related to the process used to re-negotiate the contract over the contract term which extended from 2008-2018. The Auditor General's Office suggested a more defined negotiation plan when contract extensions were negotiated.

In response to this finding, LCS has further formalized processes for review and approval of procurements when a formal competitive process is not utilized. This updated process is for contracts selected through direct negotiation or any other established exemption.

Finding 2: Bus Routing Services – District controls over the contract management and related monitoring of bus routing services need improvement.

The Auditor General's Office expressed concerns about the bus routing issues experienced at the beginning of the 19-20 school year. Concerns were noted regarding whether the district received services as outlined in the agreement and

whether the consequences of non-performance were clearly outlined in the contract.

In response to this finding, LCS will assign an employee to manage all future bus routing services contracts. This employee will monitor contract provisions and report issues and concerns to appropriate District management.

Ms. Paul shared that two external audits are currently underway.

Florida Auditor General Financial Audit – This audit is in the early stages of fieldwork. No information is available regarding completion date or potential audit findings at this time.

External Audit of Internal Accounts – Purvis Gray & Company is conducting the audit of Internal Accounts. Fifteen school sites were selected for audit. Fieldwork is underway. No information is available regarding completion date or potential audit findings at this time.

Audit Reports - Internal

Ms. Paul stated that the Office of Internal Auditing has several projects underway, including the Internal Accounts Summary Report – 1st Quarter 2020-2021 and Technical Assistance Advisement for School Internal Accounts Electronic Transactions.

Office of Internal Auditing Annual Work Plan Update

Ms. Paul shared the 2019-2020 Annual Work Plan Status Report. The projects completed during the fiscal year were discussed. Further, training efforts and hours required to complete each project were detailed in the Status Report. This report will be shared with the school board as an information item on the October 27, 2020 school board agenda.

Ms. Paul reviewed the draft 2020-2021 Annual Work Plan. She discussed the risk assessment process used to identify projects for inclusion in the Draft Work Plan. Questions regarding the response rate for the Risk Assessment Questionnaire were posed by Allen Stucks and Herbert Bailey. Ms. Paul shared that OIA will work with the superintendent to develop strategies to increase the response rate for future Risk Assessment Questionnaires. A motion was provided by Allen Stucks and seconded by Jim Davis for approval of the Draft Work Plan and submission of the work plan to the school board for final approval at the October 27, 2020 school board meeting.

Public Comments

There were no public comments.

Future Meeting Dates

The next regularly scheduled Audit Committee meeting will be held on January 15, 2021.

The Audit Committee Quarterly Report to the School Board will be presented at the October 27, 2020 LCS School Board meeting. The presentation will include a summary of meeting content from the September 18, 2020 and October 16, 2020 Audit Committee meetings. Dr. Alan Blay will present the report on behalf of the Audit Committee.

Adjournment

The meeting was adjourned at 11:02 AM.