

# THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

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## SCHOOL BOARD MEMBERS

District 1 – Teresa “Terry” Castillo  
407-577-5022  
District 2 – Kelvin Soto – Vice Chair  
407-870-4009  
District 3 – Tim Weisheyer  
407-361-0235  
District 4 – Clarence Thacker – Chair  
407-870-4009  
District 5 – Ricky Booth  
407-870-4009



Superintendent of Schools  
Dr. Debra P. Pace

## AGENDA

**Audit Advisory Committee Meeting**  
**Bill Collins Conference Room**  
**Administrative Complex**  
**817 Bill Beck Boulevard**  
**Kissimmee, FL 34744**

**Thursday, March 14, 2019**  
**3:30 P.M.**

1. Welcome
2. Approve January 24, 2019 Meeting Minutes
3. Internal Audit Function
4. Set date for next meeting

**Audit Advisory Committee Minutes**  
**March 14, 2019**

**Members Present:** Lisa Lynch, Harry Swart, Lori Giambrone, Gerald Kelley, James Mantia, Bryana Conners and Clarence Thacker

**Members Absent:** Chris Mack

**Others/Guests:** Sarah Graber and Carmen Morales

- **Call to Order**

Mr. Kelley called the meeting to order at 3:28p.m.

- **Approve Minutes from January 24, 2019**

The minutes were approved with all ayes.

- **Internal Audit Function**

Mrs. Lynch explained the new requirements for an internal audit function that will become effective July 1, 2019. She discussed two options for providing an internal audit function:

1. Hire an internal auditor in-house
2. Contract with an outside CPA firm

Ms. Graber explained that staff conducted a survey to see what other districts are doing which resulted in four different scenarios:

1. In-house internal audit function including personnel such as a director, staff auditors and admin assistant.
2. Inspector General position that handles both the annual school internal account audits and performance audits.
3. Neither an in-house internal audit function nor contract with a CPA Firm.
4. Outsource internal accounts and use the same CPA firm for any internal audits on an as needed basis.

Ms. Lynch discussed benefits of outsourcing an internal audit function vs. hiring an in-house internal auditor:

1. A CPA firm provides an extensive knowledge base due to the number of auditors on-hand and their expertise
2. A CPA firm can perform a variety of operational/performance audits
3. A CPA firm can be used on an "as needed basis"
4. The District can save on employee benefit costs by employing an outside CPA firm

Staff made a recommendation to contract with RSM for the district's Internal Audit function based on their high level of expertise, our survey of other districts, and RSM's current working relationship with Brevard County Public Schools. RSM has offered to let us use the same terms and pricing as Brevard. Sarah mentioned that internal audit services do not require an RFP, and recommended that the district contract with RSM independently rather than piggybacking off of Brevard.

A motion was made to contract with RSM and approved with all ayes.

- **Set Date of Next Meeting**

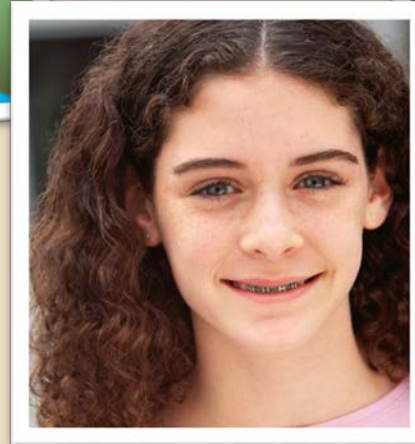
Next meeting date - TBD

Meeting was adjourned at 3:47p.m.



# Osceola School District

*From Good to Great: Building a Legacy*



March 14, 2019

***Audit Advisory Committee Meeting***



# INTERNAL AUDIT FUNCTION

## **HB 1279 – SCHOOL DISTRICT ACCOUNTABILITY**

Requires school districts receiving annual federal, state, and local funds in excess of \$500 million to employ an internal auditor and specifies that the scope of the internal auditor must not be restricted and must include every functional and program area of the school system.

\*Effective Date: July 1, 2019



# INTERNAL AUDIT FUNCTION

There are two options for providing an internal audit function:

- 1) Hire an internal auditor in-house
- 2) Contract with an outside CPA firm



# RESULTS OF DISTRICTS SURVEYED

- Some districts have an in-house internal audit function including personnel such as a director, staff auditors and administrative assistant
- Some districts have an Inspector General position that handles both the annual school internal account audits and performance audits
- Some districts currently have neither an internal audit function or a contract with CPA Firm
- Some districts outsource their internal accounts and use that same CPA firm when the need arises to conduct any type of internal audit



# BENEFITS OF OUTSOURCING

- A CPA firm provides extensive knowledge base due to the number of auditors on-hand and their expertise
- A CPA firm can perform a variety of operational/performance audits
- A CPA firm can be used on an “as needed basis”
- The District can save on benefit costs by employing an outside CPA firm



# INTERNAL AUDIT PROCESS

- Start with a risk assessment (CPA Firm)
- Identify areas with high risk processes (CPA Firm)
- Flexibility to initiate an audit (District)
- Decide how many audits to do per year (District)





# STAFF RECOMMENDATION

## Contract with RSM

- Based on our survey of other districts
- High level of experience and expertise
- Currently working with Brevard County and have offered to let our district piggy-back with same terms and pricing



# **Committee Discussion and Recommendation**

*From Good to Great: Building a Legacy*