

# THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

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## SCHOOL BOARD MEMBERS

- District 1 – Jay Wheeler  
407-973-4141
- District 2 – Kelvin Soto – Vice Chair  
407-361-2462
- District 3 – Tim Weisheyer - Chair  
407-361-0235
- District 4 – Barbara Horn  
407-462-5642
- District 5 – Tom Long  
407-462-5782

Superintendent of Schools  
Melba Luciano

## REVISED AGENDA

### **Audit Advisory Committee Meeting**

Second Floor Conference Room  
Administrative Complex  
817 Bill Beck Boulevard  
Kissimmee, Florida

**Friday, January 24, 2014  
3:30 P.M.**

1. Welcome – Introductions
2. Select Chair
3. Approve Minutes for May 31, 2013
4. Presentation on Sunshine Laws, Public Records and Ethics
5. Review School Board Rule 2.29 – Audit Advisory Committee
6. Update on Current Audits

#### District Audits

- a) Comprehensive Annual Financial Report (CAFR)  
[http://www.osceola.k12.fl.us/depts/Finance/Main/documents/Audits\\_District\\_CAFR-2013AG.pdf](http://www.osceola.k12.fl.us/depts/Finance/Main/documents/Audits_District_CAFR-2013AG.pdf)

#### Audits Other

- b) School Internal Funds  
<http://www.osceola.k12.fl.us/depts/Finance/Main/documents/2013InternalAccountAudit.pdf>
- c) Auditor Generals 2012-2013 Operational Audit  
[http://www.osceola.k12.fl.us/depts/Finance/Main/documents/Audits\\_Other\\_AGOperationalAuditRept.No.2014-071.pdf](http://www.osceola.k12.fl.us/depts/Finance/Main/documents/Audits_Other_AGOperationalAuditRept.No.2014-071.pdf)

7. Set Date of Next Meeting

**AUDIT ADVISORY COMMITTEE MEMBERS**

**Community Members**

<b><u>Community Members</u></b>	<b><u>County of Residence</u></b>	<b><u>Appointed By</u></b>	<b><u>Brd Apprvd Appt.</u></b>	<b><u>Term Expiration</u></b>	
Richard (Dick) Hord	Osceola	Barbara Horn	12/07/10	11/2014	
Houston Briggs	Osceola	Tom Long	12/07/10	11/2014	Vice Chairman
Paul Collins	Osceola	Jay Wheeler	05/15/12	11/2014	
Gerald (Jerry) T. Kelley	Osceola	Tim Weisheyer	01/29/13	11/2016	
Julius Melendez	Osceola	Kelvin Soto	01/29/13	11/2016	Chairman

\*\*\*Four must be Osceola Residents

**School Board Chairman/Appointee**

Kelvin Soto	N/A	N/A		N/A	
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**Director of Finance**

Migdalia Mercado	N/A	N/A		N/A	
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**CPA Member**

Harry J. Swart	Osceola	Tim Weisheyer			
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## Audit Advisory Committee Minutes May 31, 2013

**Members Present:** Houston Briggs, Richard (Dick) Hord, Julius Melendez, Jerry Kelley, Kelvin Soto & Migdalia Mercado

**Members Absent:** Paul Collins

**Others/Guests:** Todd Seis, & Cherish Benedict of Brown, Garganese, Weiss & D'Agresta, PA

- **Approve Minutes of May 3, 2013**

The minutes from the May 3, 2013 meeting were approved with all ayes.

- **Follow-up of the Osceola High School Comprehensive Renovation Project**

Ms. Mercado reviewed a pay application that included the non-reimbursable cost code for travel and promotion that was identified as an overpayment in the Compliance Review for this project. The supporting documentation provided that the Contractor incurred more costs than that for which it was reimbursed at the time. The question becomes: Did the District ever truly pay the \$25,000 that was identified as an overpayment to the Contractor? Ms. Mercado informed the Committee that she was awaiting additional support from the Contractor for the last pay application that was processed by the District. Mr. Melendez asked if this was the final payout. Ms. Mercado informed Mr. Melendez that this was pay application #35 and was not the final payout. The contractor continues to assert that the \$25,000 was not billed to the District. Mr. Hord asked if there are currently any new contracts in process. Ms. Benedict stated they anticipate contracting for renovations at Celebration High School but there are currently no contracts in place. There was discussion as to the bid processes for future contracts, pay application procedures, and insurance/performance bonds. Mr. Seis asked Diane Alas, the District's Capital Projects Accountant, to join the meeting to walk the Committee through the procedures for processing pay applications. Ms. Alas stated that pay applications are first submitted to the Project Manager who verifies the work was completed and signs off on it. The Project Manager then submits it to the Bookkeeper in the Facilities Department who verifies the mathematics and sends it over to Accounts Payable for payment. Mr. Seis stated the final job cost reconciliation is performed when the final pay application is submitted. The committee members agreed that it may be virtually impossible to determine whether the \$25,000 was paid by the District until that time. Mr. Seis stated that funds are being held back from the final pay application until staff is able to determine whether or not an overpayment occurred. Mr. Seis recommended that someone from the Facilities Department come and explain the reconciliation process at the next meeting. Ms. Alas reminded the Committee that there is a 10% retainage that is withheld on these projects. This retainage would prevent the occurrence of an overpayment for an amount that is immaterial in relation to the total cost of the project.

- **Update on the 2013 Audit**

Ms. Mercado stated the Auditor General is performing the District's audit this year and the auditors should be onsite until the Thanksgiving holiday. Mr. Seis explained the difference between the Auditor General's audit procedures as compared to a private firm. The State performs the District's audit every three years. Ms. Mercado informed the Committee of the Auditor General's areas of focus for this year's program.

Mr. Seis informed the Committee of Fitch's upgrade to its rating of the District's financial management practices from "standard" to "good". Conversation ensued as to the District's growth and its need to provide capacity and how charter schools can help the District manage this growth.

- **Set Date of Next Meeting**

The next meeting date to be determined for sometime in the fall.

Meeting adjourned at 4:30 p.m.

## CHAPTER 2.00 - SCHOOL BOARD GOVERNANCE AND ORGANIZATION

### AUDIT ADVISORY COMMITTEE

2.29

- I. The Board has created an Audit Advisory Committee, which reports to the Board, and shall perform the duties listed below. The Committee shall be governed by rules and procedures set forth in this section.
- II. Purpose, Responsibility, and Organization
  - A. The purpose of the Committee is to:
    1. Assist the School Board in selecting an auditor to conduct the annual financial audit as described in Section 218.391, Florida Statutes.
    2. Review findings and management responses in audit reports of Board operations and provide advice and recommendations to the Board for correcting deficiencies.
    3. Provide advice and recommendations to the School Board on initiatives to improve operational efficiencies in order to incorporate business experience and best practices in action plans.
  - B. The Committee will be comprised of:
    1. Five (5) community appointees
    2. The Chairman of the School Board or his/ her designee
    3. The Director of Finance or his/ her designee
    4. A Florida licensed Certified Public Accountant (identified hereinafter as the "CPA Member")

The five (5) community appointees shall be recommended, one (1) by each member of the Board, and approved by the Board. All five (5) members of the Audit Advisory Committee shall be residents of Osceola County. The terms of the community members approved by the Board shall be four (4) years, concurrent with the terms of their respective Board members. The Chairman of the School Board and the Director of Finance shall serve as ex-officio members and shall be voting members of the Committee. The Committee shall elect a Chair from the five (5) community members. The Chair shall be selected each year at the first meeting following the reorganizational meeting of the School Board. The CPA Member shall be a Florida licensed Certified Public Accountant in

## CHAPTER 2.00 - SCHOOL BOARD GOVERNANCE AND ORGANIZATION

good standing, and may reside in any county in the State of Florida. The nomination of the CPA Member may be made by any School Board Member, the Chief Financial Officer of the School District, or the Superintendent of Schools. If more than one qualified CPA Member is nominated to serve on the committee, then the School Board by majority vote of quorum present shall decide the CPA Member who shall serve. The CPA Member shall serve a term in office of four (4) years, and the term shall run regardless of the term of any School Board Member. The CPA Member, and his or her firm or business, may not perform any accounting or audit work for the School Board or School District of Osceola County, for any form of compensation during such time that the CPA Member serves on the Audit Advisory Committee. This rule does not preclude any one or more of the five community appointees from also being certified public accountants, but in such event the CPA and his firm will be precluded from providing audit or accounting services to the same extent as the CPA Member is precluded. All committee members serve in a voluntary capacity. Any committee member may be removed by majority vote of the School Board.

In accordance with §112.313, Florida Statutes, and pertinent opinions of the Florida Commission on Ethics, voting Committee members and any business entities in which such members have a direct financial interest will not do business with the district during such members' terms. If it is determined that a voting Committee member has a conflict of interest, then an exception can be submitted from the Committee, for consideration of approval or removal by the majority vote of the School Board.

The Superintendent will be invited to all meetings and will be included in all communications of the Committee.

The Board will provide adequate support to the Committee to discharge its responsibilities. Committee activities shall be reported to the Board on a regular basis.

### III. Meetings

The Committee will meet three times per year. Four (4) voting members will constitute a quorum at all meetings. In the case of special circumstances, the Committee Chair or a majority of the Committee members may call special meetings as required with proper notice. Committee meetings are to be conducted under the Robert's Rules or Order, and in addition, all committee and subcommittee meetings are governed by the Sunshine Law as required by Florida law.

## CHAPTER 2.00 - SCHOOL BOARD GOVERNANCE AND ORGANIZATION

STATUTORY AUTHORITY: 1001.41, 1001.42, 1001.43, F.S.

LAW(S) IMPLEMENTED: 286.011, 1001.41, 1001.42, F.S.,  
GAO Government Auditing Standards

HISTORY: REVISED: 02/05/08, 08/25/09, 04/20/10, 05/01/12  
ADOPTED: 05/01/07  
FORMERLY: NEW