

THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

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SCHOOL BOARD MEMBERS

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



Superintendent of Schools
Dr. Debra P. Pace

AGENDA

Audit Advisory Committee Meeting

WebEx - Details to Follow

**Thursday, September 10th, 2020
2:00 P.M.**

1. Welcome
2. Approve May 21st, 2020 Meeting Minutes
3. Items to be addressed by our Internal Audit team from RSM:
 - a. Timekeeping-Transportation Department Follow-Up Report
 - b. Half-Cent Sales Surtax Report
 - c. Information Technology Penetration Testing – Confidential Report
 - d. Risk Assessment for FY 2020-21
 - e. Victory Charter School 6-12 (OBT) – Follow up
4. Set date for next meeting

Audit Advisory Committee
Meeting Minutes
May 21, 2020

Members Present: Bryanna Connors, Grant Lacerte, Gerald Kelley, Lori Giambrone, Clarence Thacker

Members Absent: James Mantia, Harry J. Swart

Others/Guests: Dr. Debra Pace, Sarah Graber, Jennifer Murtha, Laura Manlove, Yuling Liu, Tori Unseth, Luz Skerrett and Carmen Morales

- **Call to Order**

Mr. Thacker called the meeting to order at 2:04 pm

- **Approve Minutes from November 05, 2019**

The minutes were approved with all ayes.

- **Review Completed Audits**

- a. CAFR- Ms. Graber stated that there were no audit findings related to financial reporting. The Federal single audit disclosed two findings. One related to reporting displaced students data under the Emergency Impact Aid Program. The other is a repeat finding under the Food Service Program related to excess cash balances.
- b. FTE: This is a compliance audit performed by the Auditor General's office. The audit disclosed common noncompliance issues over FTE reporting. District agreed with the findings and will continue its effort to enhance controls over the related areas.
- c. School Internal Accounts Financial audit: the District received an unmodified opinion.
- d. The Financial audit for the Foundation for Osceola Education: the District received an unmodified opinion.
- e. Bellalago and Flora Ridge Educational Facilities Financial audits: the District received an unmodified opinion. A question was asked about the outstanding bond debt for Flora Ridge. Ms. Graber explained that the District owns the school building as an asset; however, the debt is on the books of the EFBD and that is why the EFBD financial statements reflect a negative balance.
- f. Victory Charter School audit - This is a follow-up audit on the school's financial condition. The audit disclosed overall improvement and identified areas where controls should be enhanced. A corrective action plan has been submitted to the Department of Education. The district is working with the new management company and so far, they are following appropriate accounting procedures and rules. It is our responsibility to monitor each charter school in the District.
- g. Operational Audit- This audit is performed by the State Auditor General's office and disclosed five (5) operational findings. The District is in the process of making corrections. One finding relates to the new statutory requirement that went into place at the beginning of this year, which requires the district to employ an internal auditor. The District has contracted with RSM for this function. There were some legal discrepancies over whether the statute requires districts to hire an employee vs contracting out for that function. That is what is presented here in our report at the time it was issued. The Auditor General's legal opinion was that the District should hire an actual employee rather than contracting it out. The auditor recommends the district consult with the Florida Department of Education to get their opinion on how to address this issue. The District is awaiting FDOE's guidance. The RSM team provided its interpretation on this issue.
- h. FRS Audit- Ms. Graber explained that this is another follow up audit performed by the Department of Management Services. There are no concerns to share with the committee.

- **Internal Audit Update- In Progress**

Mrs. Manlove provided updates on the status of each audit topic. She mentioned there will be a delay on some topics due to Covid-19.

 - IT Internal and External Intrusion - will be resumed at the end of June.
 - Half Cent Sales Surtax- RSM has been able to conduct the audit remotely. They have completed 80% of the work and expect to finish it in the next couple of weeks.
 - Follow up on Transportation Payroll Timekeeping- The auditors had a meeting with Mr. Arby Creach and they are working to resume this project as soon as they can. Mr. Kelley asked if the items discussed during the last meeting had been completed. Mrs. Manlove responded that she will find out once the follow-up project resumes. The only item she is aware that is not completed is the conversion of Kronos.
 - Victory K-8 Charter School- the new management company has been a great help and the auditor did not anticipate any problems completing this project.

- **Set date of next meeting**

Sarah recommended that the committee meet again in late summer. The district will coordinate a meeting date TBD.

The meeting was adjourned at 2:38p.m.