

Audit Committee minutes

April 18, 2018

Attendees:

Debbie Smith
Dave Osborne
Sharon Holbrook
Bill Gatliff
Larry Forester
Chris Ensslin
Becky Riley
Casondra Jones
Matt Moore
John White
Myron Thompson
Lindsay Wright
Sherry Price

Dave approved minutes from the January meeting.

Debbie Smith gave Internal Audit updates. Working on summary of everything done for each year's internal audit. An example was passed around to see if format was acceptable. Rodney and John White will be looking at action taken column, plan is to have updated by July. Main suggestion was to see what was high risk and most relevant. Dave's recommendation was no follow up needed for low risk items and deferred medium risk items to the committee to determine if follow up is needed. Dave also questioned, of management as action plan has been implemented, has there been unintended consequences or other issues to come up that will help identify things in the risk assessment process. There was discussion about mock checks being sent out to the schools for employees to verify their information is correct.

Since the last meeting, Debbie, Rodney, Tiffany, John and the External Auditors to discuss Internal Audit doing work on School Activity Funds. They have coordinated with External Auditors so we have their programs and what they do in the schools. As for this year, the previous year will be looked at but future plans will be to go out to schools that have had problems more often and help them get back on track before year end. Schools need to be more aware of Redbook rules, provide Teachers with training every year. Would like to get employees back on track before Audit, goal is to try help a few schools before year end.

Matt Moore presented on the bidding process and purchasing. Policies and procedures are on the Approved Vendor list sent out monthly, email Matt to be added to the list. Small purchase threshold is \$2,500, req's over this amount need a bid or determination (if it is a sole source) number or if it is a listed quote. Sole source means no competition. Becky explained how fraudulent vendors are identified by comparisons on reports. Matt creates all vendor #'s in Munis. Requisitions must have a vendor # before it can be created. Employee's cannot be paid for services. There is a code of conduct to prevent

conflicts of interest. There is no minimum # of bids required, 3 quotes are required if more than one source.

Bid and RFP process – All bids and RFP's come thru the purchasing department except for construction. The vendor request process applies to this too. Economic Engine (software/website) is used for bid notification, have been using this for the past 5 to 6 years. Vendors can self register on this site, however bids cannot be submitted this way. Award notices are submitted via this site, we track who has received and/or viewed notices. All solicitations are required to be hard copies, email submissions are not accepted. Determination form for sole source purposes, anything over \$2,500. Dave asked, after all approvals and during review of form is there any focus on why there's no competition or who the vendor is? Yes. There about 200 true sole source vendor in our system. If there is a true emergency that can't wait then the sole source form is submitted. Also the lowest price does not always win. A committee scores the RFP to determine who get the bid.

Sharon asked are Pcards used in district? Yes for travel. Rodney and John review all the bills. Dave suggested we have a presentation on Pcards. Certain MCIS codes have to be approved for each card by Quoya Sheegog. Rodney and Tiffany Williams review all the statements. Receipts and purchases must match perfectly.

Compliance Officer update - Hotline update, 10 total from employees. Some complaints students vaping (electronic cigarettes) and personnel issues. Most have been anonymous, if there are names left then they will be contacted. With the anonymous calls, they are provided a key to use so they will know their issue has been dealt with. Lindsay does still get calls so not all calls go the hotline. Dave asked, can hotline be challenged since hotline isn't being utilized a lot. He feels communication needs to be sent to encourage use of it to justify it's need. Lindsay responded, People are feeling reluctant to be recorded, may not believe it's truly anonymous. Also, someone may have talked to a person about an issue but got no help so a hotline may the way to go.