



F.C.P.S. AUDIT COMMITTEE MEETING

Date: October 17, 2018

Time: 9:30 am -11:00 am

Location: Conference Room A

Purpose	To assist the board of directors in fulfilling its oversight responsibilities for the financial reporting process the system of internal control, the audit process and the district's process for monitoring compliance with laws, regulations and code of conduct.
Facilitators	John White, Senior Director Administration (C.F.O.), Rodney Jackson, Director of Financial Services and Lindsay Wright. Compliance Officer
BIG Questions	Internal Audit Firm update? External Audit Firm update? Any requests from the board or the audit committee?
Agenda	

Time	Topic	NOTES
9:30 am	Introductions & approval of minutes	
	Internal Audit Updates (MCM)	
	2018 External Audit Update (Strothman)	
	Presentations <ul style="list-style-type: none"> • MUNIS Department • Bid Discussions (Committee Only) 	
	Compliance Officer Report	
	Audit Committee Miscellaneous Requests & Comments	
11:00 am	Closing Thoughts & Next Meeting November 5, 2018 at 3:30 PM Conference A	

Audit Committee Meeting – October 17, 2018

Attendees:

Sharon Holbrook
Mike Riley
Karin Pabian
Myron Thompson
Chris Ensslin
Dave Osborne
Bill Meyer
Jeanna Jones
Jennifer Dyar
Daryl Love
Lindsay Wright
Rodney Jackson
John White
Becky Riley
Tiffany Davis Williams
Bill Gatliff
Larry Forester
Allison Marcum
Casandra Jones

Rodney opened the meeting. Internal Auditor (MCM) discussed Redbook compliance. Noted one issue and how bookkeepers aren't always in control as most of the people involved don't always understand the importance of compliance. FCPS arranged a Redbook training for Boosters of Fayette County and Jefferson County. Training not only for Fayette County but also Jefferson County. Redbook will be undergoing some changes.

Talked about boosters being separate from FCPS, they don't flow thru FCPS as well as those who participated in pay for play. Booster clubs should have their own 501 (c) (3) set up, if they don't then funds must be submitted thru the school.

Crowd funding procedures are on the FCPS website; however, Redbook has not yet embraced this. Financial reports are required to be reviewed as part of Redbook. Account information from Booster clubs can be requested but since they are not a part of FCPS they're not automatically provided. This is not a problem as bad press due to non-compliance is not wanted. The internal audit will be finished up within the next three weeks. External Auditors plan to piggyback of what internal auditors have done for next year.

External Audit findings - 16 schools were visited. Found that receipts weren't been deposited within a day of being received, some were taking 3 to 4 days. Systems need to be in place for improvement, repeat findings will show on evaluation. Fund misappropriation on the bookkeeper, teacher and Principal. Procedural errors not as important as fund misappropriation.

Trend this year vs last were very similar such as teachers not filling out forms, invoices not being approved. Training for other levels should be higher priority.

Munis – The presenter for Munis was Anthony Davis. He introduced his team, gave background on frequently used acronyms, and gave a short explanation that Munis was an enterprise resource for financial management. The Munis team keeps confidentiality, integrity and availability of district financials. He also explained the some of the risks related to security, confidentiality, integrity and availability.

Touched on the added value of Munis to Financial Accounting & Benefits Services including Payroll, the HR dept and the Budgeting and Staffing office. Shared that Munis is not customizable nor do we own the software. Discussed that firewalls are how the data in Munis is kept safe from hacking and scripts are controls for inactive employees. Munis trainings are available in the spring and fall every year.

Compliance Officer – Lindsay Wright gave update on Hotline and reports that it has been up and running for seven months. Some employees still choose to talk to compliance officer. Once complaint has been addressed, Lindsay is responsible for closing the case.

The committee discussed bids expirations for internal audit, external audit, primary bank and School Activity Funds Secondary bank. The committee unanimously decided to extend the External Audit, Primary Bank and Secondary Bank Depository. The committee decided to go to bid on the Internal Audit services because of the need to increase services and the allocation of resources for follow-up functions.

The committee identified flaws in Audit Committee Charter; there are no term limits and no set number of committee members. Recommendation was made to review this every January starting with the January 16. The next Audit Committee meeting will be November 5 at 3:30 p.m., before the Board Planning meeting at 5:30, to go over the annual external audit.

Meeting was adjourned by Rodney Jackson.