

Audit Committee Meeting July 20, 2016

Attendance: Lindsay Wright, Sherese Ellison, Tiffany Williams, Hiren Desai, Rodney Jackson, Debbie Smith, Dave Osbourne, Beverly Reese, Bill Gatliff, Daryl Love, Joann Bright and Sherry Price

Hiren Desai, Senior Director Administration reported to the committee that Findings 1 through 6 of the last Internal Audit has been addressed. He also reported that he will be seeking approval by the Board a threshold of \$100,000 for budget transfers within the general fund.

Debbie Smith, Internal auditor spoke regarding the upcoming audit.

- After School Program – Are we in compliance? A recommended internal audit on after school programs will begin immediately in this fiscal year's rotation.
- Grants – High risk \$35 mil will be the second of three scheduled internal audits for the 2016-2017 fiscal year.
- Benefits – we need to audit since the implementation of Affordable Care Act and will be the third of three scheduled internal audits for the 2016-2017 fiscal year.
- We will wait on auditing terminations.
- We should have Kay Kennedy, KDE Strategic Budget, come back for October meeting.
- All the schools are audited within a 3 year period
- Rodney Jackson, Director of Finance discussed fees charged to student is not being done equitably. Booster charges are not consistent with each schools. Rates should be approved by the Board in advance for all fees charged to students as required by REDBOOK policies and procedures. Daryl suggested Athletic Director should be looking at these.
- \$5,000 threshold for fixed assets with the exception of technology equipment.

Tiffany Davis Williams, Associate Director of Finance and Sherese Ellison, School Business Office Trainer gave a presentation of School Activity Fund and how we as a district mitigate risk.

- There are several trainings (RedBook, EPES, cash handling) through the year for all Bookkeepers, Principals and other new employees.
- 60 schools and 60 bank reports are reviewed by School Accounting each month.
- Always a form required when money is involved. Sweep form is used when moving money from one budget to another. We watch for segregation of duties.
- We are going live now with the Central Bank system. How much the Central Bank system is being used by each school can now be monitored.
- Scheduled and surprise school visits are made often.
- High Schools are audited first since they are in year around.

Dave Osbourne, audit chair expressed that we have a really tight system and the presentation was very good.

Lyndsay Wright, Compliance Officer reported we are still working on changes and improvements to Ethic Point and roll out in September or October.
Travel Policy updates as of August 1, 2016; see highlighted area for a few changes.

Grants Compliance presentation on risk mitigation will be on October 19th which is the next meeting date.