

## **Audit Committee Meeting**

October 21, 2020 – 9:30 am (Virtual via Zoom)

### **Attendees:**

John White  
Rodney Jackson  
Daryl Love - FCPS Board Member  
Bill Kohm – Dean Dorton (Internal Auditor)  
Phil Blakely – Dean Dorton (Internal Auditor)  
Jeanna Jones – Strothman and Co (External Auditor)  
Chris Ensslin – Audit Committee Member Chair  
Sharon Holbrook – Audit Committee Member Co-Chair  
Mark Sellars – Audit Committee Member  
Larry Forester – Audit Committee Member  
Dave Osbourne – Audit Committee  
Tiffany Davis Williams  
Rebecca Riley  
Ann Sampson  
Anthony Davis  
Sherry Price  
Lindsay Wright  
Myron Thompson  
Bob Moore  
Casondra Jones  
Cindy Hipsher

### **Not in attendance:**

Penny Christian - Audit Committee Member (excused)  
Joey Sheroan – Audit Committee Member (excused)  
Allison Marcum – Audit Committee Member (excused)  
Christy Morris – FCPS Board Member

### **Introductions & Approval of minutes - Rodney Jackson.**

Meeting opened by Rodney Jackson. Introduction and approval of July minutes

### **Internal Audit Committee Report update – Dean Dorton**

Bill discussed summary of Contents. Praise was given to Management team, specifically Rebecca. Audit findings were on the low side.

There were four findings:

Duplicate vendors within master vendor file - Three were found and fixed.

Incorrect vendor categorization (Employee vs Vendor) - A handful were modified and have been corrected.

Inactive vendors within the master vendor file – We will work with Munis to exception report for vendors not active for at least 2 yrs.

Outdated expense reimbursement form - We get quarterly updates from KDE and employees have been made aware. A control to be put in place is having a supervisor sign off on miscalculated forms.

There were two Audit Observations:

Independent contractor classification – Independent contractor or employee Risk to FCPS includes possible past due payroll taxes, fines & penalties. The purchasing office can control classification.

Green Initiative – AP Workflow is transmitted electronically, direct deposit for paying employees reimbursement, Tyler Content Manager is used for storage just to name a few.

It was noted that Accounts Payable is doing good things to get rid of using so much paper. Workflow is now transmitted electronically to vendor, requester and AP. A question was raised if whether or not electronic agendas would be better, the answer was yes. Auditors also noted both Purchasing and AP have done a great job.

2021 Base Audit Schedule was shared with the Committee, this gives a road map for remainder of the year, the After School Program audit (four per month), Governance audit, report findings, recommendations and management responses for IT Project 2 and IA Plan Project 2.

#### **Finance & Grants Compliance Officer presentation – Cindy Hipsher**

Cindy Hipsher (Finance & Grants Compliance Officer) introduced herself and gave a presentation of what she does for the District, at the request of the Audit Committee. Some of her responsibilities are compliance, regulations guidelines, investigate financial concerns reported to the whistle blower hotline, accounts receivable back-up, special projects coordinator, review required documentation, school activity fund monitoring and visits as well as several more.

To date there have been 11 SAF monitoring visits conducted. Some of the findings include: Fees charged to students without board approval, funds collected by teachers/coaches not turned in daily and not locked up in a school safe, external booster group required documents not on file or not using current forms and these groups charging student fees, lack of Redbook training, etc (presentation will be in the Audit Committee link on FCPS.net).

There have also been 10 financial examinations of external booster groups conducted. Some of the things revealed in these examinations of booster groups include: charged students/families fees, paid FCPS employees for services or reimbursements, permitted FCPS employees to served as officers with check signing authority, etc (presentation will be in the Audit Committee link on FCPS.net).

Grant Compliance, periodic site visits with program managers to assess program operation, verification of spending plan in place, confirmation that required reports are submitted timely, etc.

Tiffany Davis Williams acknowledged Cindy's hard work and commitment with all the duties her position entails as well as any others assigned by management.

Board member Daryl Love and Rodney Jackson commended Cindy on doing a great job as well.

**External Audit Committee Report – Strothman and Co.**

Jeanna Jones gave a brief update. There was no presentation for today's meeting but there will be one for the November 9<sup>th</sup> meeting. The auditors have been working remotely and on-site periodically. They are in the final stages of the field work to get things wrapped up. They have been reviewing the draft of the financial statements provided by Rodney. Jeanna has been finalising the GASB 68 and 75 adjustments and will be posted in Munis to get final numbers. School reviews have been performed remotely. Findings are very similar to past years and some schools had no findings. Bookkeepers and Principals have been more compliant with Redbook. Updates will be provided at November 9<sup>th</sup> meeting.

**Compliance Officer Report – Lindsay Wright**

Lindsay touched on three anonymous hotline complaints, one was related to a sick leave/personnel issue (this is one is ongoing and being dealt with), one was related to nepotism regarding an interview process, it was determined to be false and has been closed and the third was a staff complaint regarding phone calls. This one was taken to HR, General Counsel and the individual's supervisor and has since been closed.

The hotline has been working as it was intended and is going well.

**Audit Committee miscellaneous requests & comments**

No requests or comments were made for the next meeting.

Rodney shared we have a bank bid for school activity funds as well as our regular big bank bid coming in and we will be evaluating them to present to the Board in December.

**Closing thoughts and next meeting**

Next meeting will be November 9<sup>th</sup> at 4:00 pm, the only agenda item will be the audit. It has not yet been determined whether it will be in person or virtual.

Meeting adjourned by Rodney Jackson

Submitted by Casandra Jones