

**Orange County Public Schools
Audit Advisory Committee
Minutes of Meeting December 1, 2020**

Chair Roth called the meeting to order at 8:08 a.m. Chair Debi Roth and members Scott Funston and Tammy Campbell were present with School Board Internal Auditor Linda Lindsey and ex-officio member Amy Envall. Members Dan Williams and Kay Redlich attended by WebEx.

Approval of Minutes

Minutes of the meeting of August 25, 2020 were approved.

Review Audit Committee Charter

Chair Roth reported that the charter looks good since the only change is of the School Board Internal Auditor title, but Ms. Lindsey and member Williams pointed out that the quorum language has not yet been revised in light of the Governor's latest order. That revision will be made and the draft brought back for committee approval at the next meeting.

Review Internal Audit Department Charter

The only change to this charter is for the change in the School Board Internal Auditor title. The committee had no further recommendations and voted to approve the draft and recommend its approval by the School Board.

Recommendation to Exercise the First 1-Year Extension for Construction Audit Services with CRI

In April, CRI will be completing the three year base period of the current contract. There are two 1-year contract extensions available. Staff has analyzed the work performed and recommends the Audit Committee approve exercising the first 1-year extension. Fees paid in the prior year were recovered 12 times over by repayments from contractors as a result of this work. Fees are fixed in the base contract and there will be no fee adjustment during the extension period. After this renewal there will be one more 1-year extension available before the contract will be competed again.

The committee approved exercising the first 1-year contract extension with CRI for construction audit services.

Discuss Annual Report to School Board

This year's annual report to the School Board is tentatively planned for January 12 at 5:30. Chair Roth is scheduled to attend and present. Other committee members are encouraged to attend or watch live on the School Board YouTube if their schedules permit. [Note: subsequent to the meeting we learned that this presentation will be scheduled on the January 26 School Board meeting.

Slides from last year's report were sent in the Committee's agenda materials. Committee members noted that they like the form and content and want to continue with it. The Committee reviewed and discussed the slides and requested certain updates to highlight impacts on Internal Audit by COVID-19 and its associated risks. They also requested that the slide showing open recommendations include information about how many of those over 1 year old are of high risk. Ms. Lindsey indicated that she will make the revisions and send them to the Committee for a final review.

Election of Committee Chair for 2021

Debi Roth offered to serve again if no other members were interested. The other members heartily endorsed this idea and Ms. Roth was elected as Chair for 2021.

Review Agenda Calendar for 2021

The Committee reviewed the proposed meeting schedule and noted that all dates looked good at this point.

CAE Report

Patch Management:

Ms. Redlich provided an update to the committee about the high risk item from the IT Security Assessment related to patch management. Since the last meeting, Ms. Lindsey and the IT auditor have worked with ITS to update that topic. On October 23 Ms. Redlich met with Ms. Lindsey, CIO Robert Curran, and Senior Director of IT Security Russell Holmes to discuss this topic. She reported that she was impressed with how much progress has been made and commented about redundant security monitoring that is occurring along with adequate vulnerability scans. She noted that more needs to be done, especially in the area of documentation, but she feels like the district has a good patch management program at this time.

Ms. Lindsey reminded the committee that her department will be conducting a follow-up to the IT Security Assessment after the first of next year. This follow-up audit will address patch management and other areas of note from the previous assessment in 2018.

Audit Status Report and Follow-up Status Reports:

Ms. Lindsey asked if there were any questions about the reports. She reported that this year's audit plan includes separate audits for Digital Curriculum and Instructional Technology and Library Media, but as we have begun the DC audit, we have learned there is significant overlap in most of these functions and they are managed by the same people, so we are combining them into one audit. Management has also asked us for some process analysis which we will perform at the same time as the audit.

Mr. Funston requested that future follow-up status reports indicate how many of the items over one year old are high risk. The committee members also commented on the new trend charts and requested that they continue to be included in the future. Mr. Williams suggested that the activity report include a listing of audits in the annual plan that have not yet begun.

Internal Auditor Retirement

Ms. Lindsey reported that Alva Johnson will be retiring in December after more than 20 years with the department. Her position has been posted and interviews were conducted last month. A candidate was chosen and we are proceeding through the hiring process. If we are not successful with this candidate, the position will be re-posted.

Internal Audit Department Highlights

We have been inviting guest speakers to our staff meetings for presentations about initiatives in other departments. So far we have heard from Procurement and Student Enrollment. Others will be invited after the holidays.

The fall issue of Local Government Quarterly included a number of good articles on building trust and managing auditee relationships which we have been discussing as "topics of the day" during staff meetings.

We are also discussing the IIA Ambition Model to see if we might want to undertake that as a self-assessment approach.

The School Board Chair has asked that we look at the district's school funding allocation methodology. Ms. Lindsey is working on this and will respond to the Chair.

This part of the meeting concluded at 8:58 a.m.

Audit Committee Annual Self-Assessment

At this time Linda Lindsey and Amy Envall left the meeting and the committee remained to conduct its annual self-assessment. Later that morning, Chair Roth reported to Ms. Lindsey that the committee's ratings were either "strong" or "very strong" in all

categories. In discussion they indicated that the committee is effective and fulfilling its purpose and they want to continue to focus on risks.

The committee completed its self-assessment and closed the meeting at approximately 9:10 a.m.

The next regular meeting will be January 26, 2021 at 8:00 a.m.