

**Orange County Public Schools  
Audit Advisory Committee  
Minutes of Meeting August 27, 2019**

Chair Roth called the meeting to order at 8:04 a.m. Committee members Tammy Campbell and Kay Redlich were in attendance. Chair Roth, Dan Williams and Scott Funston attended by telephone. Also present was Linda Lindsey, Senior Director, Internal Audit, Superintendent Barbara Jenkins, Sr. Director of Finance Catherine Schuessler, Director of Finance, Janet Bush, and representatives of the firm of Cherry Bekaert. School Board Chair Teresa Jacobs joined the meeting at 8:06 a.m. and Woody Rodriguez joined the meeting at 8:20 a.m.

**Meeting with External Auditors**

Ms. Lindsey introduced the partner in charge of the district's external audit firm, Ron Conrad and the manager on the job, Brandi Grovac.

Mr. Conrad introduced two other members of their firm and turned the presentation over to Ms. Grovac who used slides (copy on file) to discuss the following topics with the Audit Committee:

- Auditors' responsibility
- Communications
- The engagement team
- Audit status and timing
- Areas of audit emphasis

Mr. Conrad then took over the presentation and discussed new and coming financial reporting requirements

He inquired of the committee of their knowledge of any fraud and they replied none. A few questions were asked and answered.

Members of the committee thanked Mr. Conrad and Ms. Grovac for their presentation. At this point, the representative of Cherry Bekaert, Ms. Schuessler and Ms. Bush left the meeting. (8:30)

**Approval of Minutes**

Minutes of the meeting of June 11, 2019 were approved.

**Review Internal Audit Annual Report**

Ms. Lindsey presented highlights from the annual report for 2018-2019 and requested feedback and comments from the committee members regarding the content and presentation.

### **Select Members to Serve on Auditor Selection Committee**

Ms. Lindsey explained that the process to select external auditors will be changing from prior years due to new legislation requiring that one member of the auditor selection committee be a representative of the elected body (the School Board) and that person serve as the committee's chair. Accordingly, the Audit Advisory Committee (AAC) will no longer serve in this capacity as a group. The AAC, pursuant to its charter, should name two members to service along with the School Board representative.

Tammy Campbell and Kay Redlich agreed to serve. Ms. Lindsey indicated that next steps will occur after the School Board has named their representative. Once that happens, the auditor selection committee will be asked to review and approve the evaluation criteria and criteria weights and a general timeline for the solicitation process.

### **CAE Report**

#### **Audit Work:**

Ms. Lindsey reported that the staff is fully engaged in the work in the annual audit plan with the school audits underway, the external audit underway and a successful recent audit by the Florida Retirement System. Now that the department is fully staffed, work is proceeding with good progress.

#### **Audit Status Report and Follow-up Status Reports:**

Ms. Lindsey asked if there were any questions on the reports. Mr. Williams asked about the IT Security Assessment that was completed last year. Ms. Lindsey reported that she has had some discussions with the new CIO, but was giving him time to get settled in his new role and hire his management team. Now that he has hired a new IT Security director, she will request an update on addressing the recommendations from that engagement.

#### **Appointment of Internal Auditor:**

Ms. Lindsey reported that the School Board Chair, General Counsel and she had discussed how best to address the requirements of F.S. 1001.42 regarding the appointment and reporting relationship of the internal auditor. She asked Chair Jacobs to comment.

Chair Jacobs indicated that this matter needed to be addressed by the full board, but preliminary thoughts involve revisions to the district's org charts, a School Board appointment of the internal auditor with the possibility of posting that position, and a

contract between the School Board and the internal auditor. Mr. Rodriguez reviewed the legislative history around this statute and offered his comments on the matter.

Superintendent Jenkins requested clarification of the org chart structure and it was suggested that the internal auditor have a direct report to the School Board and indirect (dotted line) reports to the Audit Advisory Committee and General Counsel. Depending on what decisions are made, revisions to the Internal Audit Department charter and the Audit Advisory Committee charter may be necessary. Members of the committee indicated that this type of arrangement was appropriate and satisfactory.

Chair Jacobs indicated that this matter will be addressed as quickly as we can with any matters that need to be addressed by the AAC on their November agenda. Ms. Lindsey indicated that she would keep the committee members informed as we progress through this process.

The meeting was adjourned at 9:25 a.m.

The next regular meeting will be November 19, 2019 at 8:00 a.m.