

**Orange County Public Schools
Audit Advisory Committee
Minutes of Meeting January 24, 2023**

Chair Roth called the meeting to order at 8:05 a.m. with all committee members participating. Committee members Debi Roth, Kay Redlich, Brian Paulsen, and Tammy Campbell were in attendance. Committee member Dan Williams attended by WebEx. Also present were General Counsel Amy Envall, Linda Lindsey, School Board Internal Auditor, and Ron Conrad of Cherry Bekaert. Jennifer Christensen of CRI attended via WebEx as did Director of Finance, Shari Horsey.

Approval of Minutes

Minutes of the meeting of November 15, 2022 were approved.

Post-audit Presentation from Cherry Bekaert

Ms. Lindsey introduced Ron Conrad of Cherry Bekaert. Mr. Conrad is the engagement partner for the district's audit. Using materials distributed in advance of the meeting (copy on file), Mr. Conrad reviewed the results of the audit, discussed internal controls, corrected and uncorrected misstatements, and qualitative aspects of accounting practices. He also reviewed the Auditors' required communications.

Members of the Committee asked a few questions and a brief discussion ensued.

Ms. Lindsey reported that the Sales Tax and Capital Renewal Funds financial statements had been presented at last week's COVE meeting and accepted.

The Committee thanked Mr. Conrad for his presentation. He left the meeting at this time. (8:28 a.m.)

Post audit Presentation from CRI

Jennifer Christensen of CRI reviewed the materials submitted with the agenda materials. She explained the purpose of school internal funds and described her firm's audit process. She presented statistics of the results of the audits expressed as the average number of findings per school and a breakdown of how many schools had how many findings. She also reviewed the most common findings and recommendations for improvements.

Ms. Lindsey noted that this contract is managed by her department. She informed the group that the Finance Department's Internal Accounts division follows up with schools that have a large number of findings.

The Committee thanked Ms. Christensen and she left the meeting at 9:22 a.m.

Discuss potential revision of annual audit plan for IDEA funding

Ms. Lindsey reported her department is working with Legal Services and other departments to provide factual information to the School Board on the district's use of IDEA (Individuals with Disabilities Education Act) funding. She believes this work falls in the part of the audit plan where the department has flexibility to perform investigations and smaller special requests without modification of the plan. For this reason, no revision of the plan is recommended for this item. After a brief discussion, members of the committee agreed.

Entity-wide Risk Assessment Process and Timeline for 2023

Ms. Lindsey referred to the timeline sent with the agenda materials. She indicated the timeline reflects a re-use of the ERM toolkit again this year since senior management is familiar and comfortable with it. The timeline is similar to the one used in 2022 and should be achievable.

However, she and the Chief Strategy Officer are looking into the risk oversight module of Audit Board's ERM and audit management software offerings. They have submitted a project request and a business case and are working this through the project review and approval process. Depending on approval timing and funding, we may use this software this year, although it may require a longer timeline than what is presented today. Ms. Lindsey will keep the Committee informed as things progress.

CAE Report

Status Reports:

The status report and follow-up on open recommendations report were included in the agenda materials. Members of the Committee asked about the number of open findings that are over one year old. Ms. Lindsey explained the reasons for the delays vary from department to department. Ms. Roth noted the charts will be presented as part of tonight's annual report to the School Board.

Audit Progress:

In general, audits are proceeding well and on schedule. However, we have paused all audit activity involving the Student Information System part of the IT Department indefinitely at their request. They are experiencing a high volume of work for new or revised SIS programs, interfaces, or functions and, at the same time, a high vacancy rate among staff. This will cause us not to complete the third phase of the Skyward interfaces audit this year. We will keep the Committee informed of any other impacts to our work as a result of this request.

General:

Ms. Lindsey noted the following matters of interest –

- Dr. Vazquez could not attend today's meeting due to a previously scheduled meeting with all school principals. She looks forward to attending the March meeting.
- Jan Skjersaa will be retiring at the end of March. She will post his position in February and hopes not to have a significant time gap between his retirement and the hiring of a new person. She will keep members of the Committee informed.
- The annual committee report to the School Board is tonight and Chair Roth will be making the presentation using slides that were previously reviewed and approved by the Committee. Members are welcome to watch the livestream which starts at 4:45 p.m.
- The department plans to start a quarterly newsletter next month. It will be sent to all district administrators and to the school board and members of the committee.
- The department continues to develop a proposed intern program and hopes to secure funding for it in the coming fiscal year.
- The department is receiving calls from other school district auditors – three in the past two weeks. That these districts reach out to us reflects the value of the Audit Advisory Committee's oversight and guidance over the years that have raised our profile and earned recognition and respect from our colleagues.

The meeting was adjourned at 9:39 a.m.

The next regular meeting will be March 28, 2023 at 8:00 a.m.