

**Orange County Public Schools
Audit Advisory Committee
Minutes of Meeting March 26, 2019**

Chairman Roth called the meeting to order at 8:06 a.m. Committee members Tammy Campbell and Kay Redlich were present. Scott Funston (joined at 8:25) and Dan Williams attended by telephone. Also present were Linda Lindsey, Senior Director, Internal Audit and School Board Chair Teresa Jacobs.

Approval of Minutes

Minutes of the meeting of January 29, 2019 were approved.

Meeting with CIO Robert Curran

Ms. Lindsey introduced CIO Robert Curran and the Audit Committee members introduced themselves. Mr. Curran spoke briefly about his previous experience as CIO at Colorado Springs Schools and Osceola County Schools and in other IT roles at Orange and Seminole County Schools. He spoke of his appreciation of the value of the audit process and his desire to address all current and future audit recommendations in a timely manner.

The committee thanked Mr. Curran for his remarks and indicated they would like to have a more substantive discussion with him after he has had more time at the district. Mr. Curran left the meeting at this time (8:18).

One-year Extension of Contract for External Audit

The 3 year base contract period with Cherry Bekaert ended with completion of the June 30, 2017 audit. The contract provides for 2, 1-year extensions, one of which was exercised last year. Ms. Lindsey has spoken with the Senior Director of Finance (who is most impacted by the work of the external auditors) regarding their service. Based on the district's experience to date, staff is recommending that the second one-year contract extension be exercised at the fee already established in the current contract.

The committee voted unanimously to approve exercising the second (final) 1-year contract extension for external audit services with Cherry Bekaert.

Update on Progress of 2019 Entity-wide Risk Assessment

The Committee referred to Risk Assessment Progress Report which was provided in their agenda materials. Ms. Lindsey reviewed the current risk management environment and discussed some of the key risks that have been identified to this point. Especially of

note are funding constraints although the district has adequate reserves and is financially sound. Other risk considerations were briefly discussed.

Ms. Lindsey reported that she has completed the risk interviews with seven of the School Board members and received risk registers from two chiefs so far. The deadline is Friday, March 29. After all of management's risk registers are received and reviewed, the audit risk assessment process will begin.

The committee members asked questions and expressed support for the process and interest in its timely and successful completion.

CAE Report

Auditor Resignation:

Jarai Ings submitted her resignation yesterday. She is going to work for the Orange County Comptroller's Internal Audit Department.

Ms. Lindsey intends to retitle the current internal auditor position as an experienced auditor and create a new position for a less experienced auditor (1-2 years' experience). She has started working with HR and intends to post this vacancy using the less experienced position.

Audit Status Report and Follow-up Status Reports:

Ms. Lindsey asked if there were any questions on the reports. Mr. Williams asked if any of the older audit recommendations are of concern to the Internal Audit Department. Ms. Lindsey indicated that several of these are tied to implementation of the new student information system and will be addressed with completion of that project. Others are not a major concern at this time, but they are being monitored.

Informal Mentoring for IT Auditor:

Ms. Lindsey reported that she and Luis Aponte, our IT Auditor, met with Rick Whitefoot, IT Audit Manager for Darden Restaurants and Stephen Bowman of his staff to establish an informal mentoring relationship between the two IT audit functions. The meeting went well and reinforced that IT auditing is not very different from organization to organization. Ms. Lindsey expressed appreciation to Committee member Dan Williams for suggesting the relationship and helping to get it started.

Internal Audit Annual Report:

Ms. Lindsey reported that she has begun work on the department's annual report for this fiscal year and asked committee members to forward their ideas for new or different content.

AG Audit:

The AG Audit Manager contacted us last week and indicated that they will be resuming their operational audit in the next week and the audit period has been extended to December 31, 2018 making it an 18-month period. This year is also a year for the AG to conduct their triannual financial audit so we will have two AG audits in 2019.

Data Analytics:

Ms. Lindsey reported that the first data analytics test performed was a comparison of data in the Vendor master file with data in the Employee master file. We found an employee who had an outside business and was also selling to the district. The matter has been turned over to Professional Standards for handling.

SIS Project:

The Internal Audit team has been working on short, focused assessments of certain aspects of the SIS implementation project as was included in this year's audit plan. We are focusing on higher risk areas or those where we may add more value to stakeholders. These are not audits in accordance with the IPPF.

CAE Performance Review

Ms. Lindsey left the meeting at 9:01 a.m. so that the Committee could discuss her annual performance review.

Chair Roth called Ms. Lindsey at 9:20 to indicate that they had completed the performance evaluation and adjourned. She and Ms. Lindsey met to discuss the performance evaluation and sign it.

The next regular meeting will be June 11, 2019 at 8:00 a.m.