

**Orange County Public Schools
Audit Advisory Committee
Minutes of Meeting November 17, 2015**

Chairman Puckett called the meeting to order at 8:04 a.m. Committee members Jim Ingersoll, Debi Roth and Rick Whitefoot were present and Scott Funston participated by telephone. Also present was Linda Lindsey, Senior Director, Internal Audit and Kay Redlich, Senior VP, Technology and Operations, CNL Financial Group.

The committee expressed concern and support for Scott Funston and his colleagues and coworkers at Disneyland Paris after the terrible events of last week.

Mr. Puckett introduced Kay Redlich of CNL Financial Group. She attended as a candidate for appointment to the committee to observe the committee at work.

Approval of Minutes

Minutes of the meeting of August 25, 2015 were approved as submitted.

Discuss Meeting Calendar for 2016

Members were asked to comment on the proposed meeting calendar for 2016. Ms. Roth noted conflicts with the proposed dates in June and November. Ms. Lindsey will select alternate dates for those meetings and send a revised calendar.

Discuss 1-year Extension of CRI Contract for Internal Accounts Audits

Ms. Lindsey reported that CRI is in the 4th year of its contract with the district. There is 1 remaining, 1-year extension period available, should we wish to exercise it. Staff (Finance and Internal Audit) recommend the contract be extended. It will be competed again next year after the 2015-2016 audits are complete. CRI's fees have been fixed throughout the four years already performed and will remain at the same level in the extension year. The committee voted to approve exercising the extension of the CRI contract for the final year.

Discuss Committee Reappointments and Elect Committee Chairman

Ms. Lindsey informed the committee that two members, Scott Funston and Rick Whitefoot, have terms that will end on December 31 of this year. Both are eligible to be reappointed. Mr. Funston has indicated his willingness to serve another term. Mr. Whitefoot does not wish to be reappointed at this time. Earlier in the meeting Mr. Puckett introduced Kay Redlich of CNL Financial Group as a candidate for appointment to the committee.

The committee voted unanimously to recommend reappointment of Scott Funston and appointment of Kay Redlich. They also voted unanimously to elect Charlie Puckett as chairman for 2016.

At the conclusion of the discussion of this item, Jim Ingersoll announced that he is stepping off the committee effective immediately. The committee members will look for candidates to fill the remaining 2 years of his current term. Jim was thanked for his many years of service and his great contributions and wished well.

Annual Report to School Board

Ms. Lindsey reminded the committee that each year, usually in December or January, the committee chairman makes a presentation to the School Board. She reviewed the slides used last year and committee members discussed what this year's should include. Ms. Lindsey will prepare slides based on these suggestions and circulate them to the committee members for feedback and suggestions. She will also report the date of the School Board meeting once she gets confirmation from the Superintendent's office.

CAE Report

Ms. Lindsey asked if there were any questions about the audit activity status report or the follow-up status report sent out with the agendas. She noted that the number of follow-up items that are more than one-year old has decreased and discussed certain findings that have closed since the report was prepared. She also noted certain challenges with some of the findings.

The committee decided to focus on findings that are very old by inviting the appropriate department official to attend a committee meeting to explain why the issues had not been addressed in a timely manner. Ms. Lindsey was asked to communicate this new policy to the appropriate department heads and to members of the School Board.

Ms. Lindsey reported that her team had finished its evaluation of audit management programs and decided to procure the one called MK Insight. She hopes to complete that procurement by the end of the calendar year.

Annual Committee Self-Assessment

At 9:12 Ms. Lindsey and Ms. Redlich left the room and the committee continued its meeting to perform its annual self-assessment. Later in the day, Chairman Puckett sent the completed self-assessment to Ms. Lindsey for the file.

The next meeting will be January 19, 2016 at 8:00 a.m.