

**Orange County Public Schools
Audit Advisory Committee
Minutes of Meeting November 18, 2014**

The meeting was called to order at 9:03 a.m. by Chairman Jim Ingersoll. All committee members were present with Scott Funston and Charlie Puckett participating by telephone. Also present was Linda Lindsey, Senior Director, Internal Audit. Ex-officio members Woody Rodriguez and Bill Sublette were not in attendance.

Approval of Minutes

Minutes of the meeting of August 26, 2014 were approved as submitted.

Renewal of Contract with CRI for School Internal Accounts Audits

CRI is completing the third year of a three- year contract for auditing the schools' internal accounts. The contract provides for 2, 1-year extensions upon mutual agreement. Ms. Lindsey provided information regarding CRI's fees over the years as well as information about the results of RPF processes in 2009 and 2012 for these services. She indicated that the firm has provided good service, and it fully embraces the district's MWBE goals. She also reported that the Finance Department is in favor of exercising the contract extension.

After discussion, the committee voted to recommend we exercise the first 1-year extension option at this time.

Annual Report to School Board

The Committee discussed the content of this report which will be made to the School Board in January. They agreed that it should be presented by the Chairman of the committee as has been the practice. They also indicated that the content should be similar to the prior year with some remarks about charter school monitoring. Ms. Lindsey suggested that the presentation also include comments about the Internal Audit department's first year of operations with an IT auditor and about planned enhancements to the district's annual entity-wide risk assessment process. Members of the committee indicated the School Board should be informed of the committee's view of the importance of the risk assessment process and the necessity that all departments participate.

Re-Appointment of Members

Debi Roth and Charlie Puckett have terms expiring on December 31, 2014. Both have indicated their willingness to serve another term. The committee voted unanimously to recommend reappointment of both to the School Board.

Elect Committee Chairman

Chairman Ingersoll indicated that he wishes to pull back from his chairman duties over the coming year. After discussion the committee voted to name him chairman for the next six months (until June 30) and he agreed to serve for that period. The committee will elect a chairman for the remainder of the next year at a later meeting.

Proposed Committee Meeting Calendar for 2015

The meeting calendar and proposed agenda items were both approved with the understanding that changes could be made if necessary during the year.

CAE Report

Ms. Lindsey asked if there were any questions on the audit activity status report sent out with the agendas. There were none. She then reported briefly about recently completed audits that are pending issuance. The committee asked whether findings from audits are tracked and Ms. Lindsey indicated yes, for audits performed by her department as well as the school audits. The committee requested that future meetings include a report on the status of these findings, particularly the more significant ones.

Annual Committee Self-Assessment

Ms. Lindsey left the room while the committee conducted its annual self-assessment and a review of its charter. Mr. Ingersoll telephoned Ms. Lindsey later to report that the committee rated itself strong to very strong with a score of 4.3-4.4 on the self-assessment worksheet. They also rated their charter as satisfactory, but requested that a further review of the charter be scheduled at their next meeting.

Mr. Ingersoll also indicated to Ms. Lindsey that the committee would like to meet with the Superintendent and/or School Board Chairman to gain further insight into their concerns and perspectives on risk. Ms. Lindsey will schedule this for the next meeting.

The meeting was adjourned at approximately 9:50 a.m.

The next meeting will be January 20, 2015 at 8:00 a.m.

Agenda items for the next meeting include a review of the committee's charter, the post-audit meeting with EY, and a review of the proposed entity-wide risk assessment process for next year.