

THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

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SCHOOL BOARD MEMBERS

District 1 – Teresa “Terry” Castillo – Vice Chair
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321-442-2862
District 3 – Jon Arguello
407-433-9082
District 4 – Clarence Thacker - Chair
407-870-4009
District 5 – Robert Bass
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Superintendent of Schools

Dr. Debra P. Pace



AGENDA

Audit Advisory Committee Meeting

Thursday, June 3 2021
2:00 P.M.

1. Welcome
2. Approve February 22, 2021 Meeting Minutes
3. Internal Audit Updates by RSM:
 - a. Facilities Design and Construction Operations
 - b. Health Plan Services
4. Set date for next meeting

**Audit Advisory
Committee Meeting
Minutes
February 11, 2021**

Members Present: Mark Cross, Harry J. Swart, Lori Giambrone, James Mantia, Grant Lacerte, Javier Paz

Members Absent: Clarence Thacker

Others/Guests: Dr. Debra Pace, Sarah Graber, Yuling Liu, Luz Skerrett, Carmen Morales and Frank Kruppenbacher
MSL team: Dan O’Keefe, Alan Ricafort
RSM team: Laura Manlove, William Campbell, Mike Grove

- **Call to Order**

Dr. Pace called the meeting to order at 2:00 p.m.

- **Introductions**

Dr. Pace excused Mr. Thacker and opened the meeting asking for a brief introduction of all members and guests in attendance.

- **Approve Minutes from September 2020 Meeting**

The minutes were approved with all ayes.

- **Review Completed Audits:**

- a. Comprehensive Annual Financial Report Audit:

Mr. O’Keefe highlighted this year’s unprecedented times and the overwhelming impact felt at the School Districts’ level. Mr. Ricafort described the scope of the district’s audit and gave a brief overview of financial data, explained that the General Fund Balance sheet, which is the main operating fund for the District, shows an increase in the financial position of the District as it relates to the activity for the year. Dr. Pace further explained that this increase was the intended result of a board strategy that, in essence, anticipated some of the unknowns surrounding the economic impact of the pandemic, specifically, potential revenue reductions and increased operational expenditures.

Independent Auditor’s Report on Basic Financial Statements: The District received an unmodified opinion.

Report on Internal Control over Financial Reporting and Compliance: The audit disclosed one deficiency. The finding was related to an unrecorded liability that resulted in an audit adjustment. The District had sufficient funds to cover the associated expenditure. This exception was deemed to be an isolated incident. Management responded that the District has appropriate processes in place and had made the adjustment.

Report on Federal Awards: no issues

Management Communication: Auditor noted two issues: 1). Approval of journal entries: the recommendation was to add a level of approval. The management responded that they will review procedures to ensure controls are in place. 2). P-card approvals procedures: the recommendation was to review approval procedures. Management response was that the instances occurred while the District was transitioning the P-card program from one financial institution to another, and the District is providing additional training to the administrators to ensure proper approval of all P-card transactions.

Examination Report on Investment Compliance: no issues

- b. School Internal Funds Audit: Ms. Liu stated that the audit was performed by Carr, Riggs & Ingram CPAs and Advisors. She explained that the objective of the audit was to ensure that the financial statements of all 53 Schools' internal funds were fairly represented, in all material respects. Ms. Liu went over the common exceptions disclosed and the causes. The District received an unmodified opinion on the school internal funds audit.

- c. Charter Schools Audit: Ms. Liu explained that the agreements with the District require charter schools to submit audit reports annually. She then briefly went over the findings and elaborated on the causes behind them. All 26 reporting schools received unmodified opinions.
- d. Other Component Unit Audits:
- The Foundation for Osceola Education, Inc. Audit: Ms. Liu explained that the Foundation was reported as a component unit in the District's Comprehensive Annual Financial Report. The Foundation's financial report included 3 charter schools as its divisions. The Foundation audit received an unmodified opinion.
 - Four Corners Charter School, Inc. Audit: the entity has one charter school and it is reported as a component unit in the District's Comprehensive Annual Financial Report. The audit received an unmodified opinion.
 - Bellalago Educational Facilities Benefit District Audit: The audit received an unmodified opinion.
 - Flora Ridge Educational Facilities Benefit District Audit: The audit received an unmodified opinion.

Mr. Paz inquired about how these entities conduct their audits. Ms. Graber indicated that their Boards select auditors to conduct their audits, provided that the auditors meet the criteria, and that the District is not involved in their selection of auditors or their audit process.

- **Internal Audit Update**

Ms. Manlove briefly explained that they provided the internal audit services for the District. She presented updates on the projects selected by this Committee:

- Facilities Design and Construction Operations: Mr. Campbell presented that they have completed the interview and walkthrough phase and are wrapping up the testing phase and will soon be transitioning to the reporting phase. The audit team has made great progress with support from the District's staff. They don't anticipate any delays in the final reporting for this project.
- Health Plan Services: Mr. Campbell explained that this is a two-phase project. Currently, it is at the beginning of Phase I. The objective of this phase is to obtain a detailed understanding and to develop a plan by assessing the health services operating policies, procedures, and other information collected. Walkthroughs and interview appointments are in place. Once the auditor completes the fieldwork, testing and reporting will follow.

Mr. Paz inquired about the criteria used to guide the selection of the healthcare providers. Mr. Grove responded that they do not have a role in determining the providers but instead monitor the plan from a purely operational perspective. Dr. Pace added that this project aims at keeping the new health services vendors grounded and focused, to ensure vendors are adhering to their contractual obligations, and to honor the District's commitment to our board and our employees to have access to quality healthcare at a sustainable cost.

- **Set date of next meeting**

Ms. Graber recommended that the committee meet again later in the summer. The District will coordinate a meeting date.

The meeting was adjourned at 3:04 p.m.