



AUDIT COMMITTEE

Minutes for January 11, 2023 Meeting

Meeting Date	January 11, 2023	
Meeting Time	2:00 PM – 5:00 PM	
Meeting Location	Walter E. Miller School Support Center	
Committee Chairman	Dr. Susan Agruso	
Note Taker	Christian Moreno Hernandez	
Attendance	<p>Committee Members: Dr. Susan Agruso, Chair Ginger Mentzer Skip Wagner Jim Daniel Joe Blitzko, Vice-Chair</p> <p>Board Members: Mary Foreman Cindy Spray</p>	<p>Other Attendees: Rachel Sellers, Deputy Superintendent of Business Services Mark Smith, Carr, Riggs & Ingram Lorri Kidder, Carr, Riggs & Ingram Cathy Miley, Director of Finance Natalie Spradling, Senior Accountant, Cherry Bekaert LLP Scott Anderson, Director, Cherry Bekaert LLP Stephen Dye, School Board Attorney Christian Moreno Hernandez, Executive Secretary</p>
Opening	<p>a) Call to Order</p> <ul style="list-style-type: none"> Chair Agruso called the meeting to order at 2:01 PM. <p>b) Audio Recording</p> <ul style="list-style-type: none"> Chair Agruso announced that the meeting was being audio recorded. <p>c) Review and Accept Minutes from November 2, 2022 Motion: Motion to approve the November 2, 2022 Minutes was made by Mr. Daniel and seconded by Mr. Wagner.</p> <p>The motion was approved 5-0.</p>	
Public Comments	<p>Notes: There were no requests for public comment.</p>	
Member Comments	<p>Notes: Chair Agruso introduced Ms. Rachel Sellers, Deputy Superintendent of Business Services; Ms. Natalie Spradling, Senior Accountant of Cherry Bekaert LLP; and Mr. Scott Anderson, Director of Cherry Bekaert LLP.</p> <p>Vice-Chair Blitzko spoke regarding the last Audit Committee Meeting and inquired about the following items:</p> <ul style="list-style-type: none"> Audit Committee Report to the Board Sales Surtax Report Invitation for Mr. Scott Hansen, Chief Technology Officer <p>Ms. Mentzer spoke regarding the Service Organizational Controls (SOC) Reports and the responses provided by Mr. Hansen.</p> <p>Chair Agruso asked the Executive Secretary to send the responses provided by Mr. Hansen regarding the SOC Reports to the Committee.</p> <p>Vice-Chair Blitzko noted that during the last Audit Committee Meeting, Ms. Mentzer suggested adding an Agenda Item, <i>Recommendation to hire Internal Staff Auditor</i>, for a future meeting discussion. Chair Agruso stated that the discussion would be added to the March Audit Committee Meeting Agenda.</p> <p>The Audit Committee held discussion and asked questions regarding the Audit Committee Charter.</p>	

Sunshine Law	<p>Notes: Mr. Stephen Dye, School Board Attorney, provided a summary and a brief overview regarding the Sunshine Law.</p> <p>The Audit Committee held discussion and asked questions regarding the Sunshine Law.</p>
Cherry Bekaert	<p>a) Internal Accounts</p> <p>Notes: Mr. Scott Anderson, Director of Cherry Bekaert LLP, provided an overview regarding the Internal Accounts Audit Report.</p> <p>Mr. Anderson spoke regarding the following items:</p> <ul style="list-style-type: none"> • Results of the Audit • Corrected and Uncorrected Misstatements • Qualitative Aspects of Accounting Practices • Independence Considerations • Required Communications • Other Matters <p>The Audit Committee held discussion and asked questions regarding the Internal Accounts Audit Report.</p> <p>Following a question from Ms. Mentzer regarding Purchasing Cards, Ms. Cathy Miley, Director of Finance, provided an explanation and stated that procedures were updated.</p> <p>Vice-Chair Blitzko asked for clarification regarding the presentation Mr. Anderson provided.</p> <p>Chair Agruso recommended that Mr. Anderson provide a more detailed presentation to the School Board.</p> <p>Ms. Natalie Spradling, Senior Accountant of Cherry Bekaert LLP, spoke regarding the management response letters.</p> <p>Following a question from Vice-Chair Blitzko regarding the Internal Accounts Audit, Mr. Anderson, noted that the Audit of the Internal Accounts was required.</p> <p>The Audit Committee held discussion and asked questions regarding whether the Internal Accounts Audit for the individual schools was required. Chair Agruso noted that last year the Committee had a discussion and confirmed that the Internal Accounts Audit for the individual schools was required.</p> <p>Motion: Motion to recommend the Internal Accounts Audit Report and Management Letter to the Board for approval was made by Mr. Daniel and seconded Mr. Wagner.</p> <p>The motion was approved 5-0.</p> <p>Chair Agruso requested that Mr. Anderson add the school responses to the Internal Accounts Audit Report. Mr. Anderson agreed.</p> <p>b) 2022-2023 Financial Audit</p> <p>Notes: Chair Agruso spoke regarding the 2022-2023 Financial Audit and noted that Cherry Bekaert would start their fieldwork in the spring.</p> <p>Mr. Anderson spoke regarding the proposed schedule for 2022-2023 Financial Audit and noted that a draft of the 2022-2023 Financial Audit would be ready for the November 1, 2023 Audit Committee Meeting.</p> <p>The Audit Committee held discussion and asked questions regarding the proposed schedule for the 2022-2023 Financial Audit.</p>

	<p>Following a question from Vice-Chair Blitzko, Chair Agruso noted that Cherry Bekaert would need to come twice to the Audit Committee Meetings: once during the interim and again at the end.</p> <p>Mr. Anderson confirmed that the Internal Accounts Audit would be available by November 1, 2023.</p> <p>Ms. Rachel Sellers, Deputy Superintendent of Business Services, spoke regarding the timeline for the Auditor General Office.</p> <p>Mr. Anderson stated that he would have the Engagement Letter for the 2022-2023 Financial Audit ready by mid-February.</p> <p>Following a question from Vice-Chair Blitzko, Board Member Foreman and Mr. Anderson spoke regarding the Request for Proposal (RFP) and fees.</p> <p>Chair Agruso announced a recess at 3:54 PM and reconvened at 4:00 PM.</p>
CRI	<p>a) Internal Accounts Audit Notes: Mr. Mark Smith, of CRI, provided an overview regarding the Internal Accounts Audit. He spoke regarding the following Auditing Areas:</p> <ul style="list-style-type: none"> • Accounting • Cash Controls • Physical Access • System/Bank Access <p>Following a question from Vice-Chair Blitzko, Ms. Lori Kidder, of CRI, noted that in the Internal Accounts Audit Report the results, exceptions, recommendations, and management responses were given.</p> <p>The Audit Committee held discussion and asked questions regarding the Internal Accounts Audit.</p> <p>b) PARs- Payroll Overpayment Accrual, Personnel Notes: Mr. Smith provided an overview regarding the Post Audit Review (PAR) of the 2021 Personnel Audit. He spoke regarding the following sections:</p> <ul style="list-style-type: none"> • Applicant Interest Rating and Interview Feature – Recruiting Module • Personnel File Review Log • Personnel File – Schools/Departments • Performance Evaluations <p>The Audit Committee held discussion and asked questions regarding the PAR of the 2021 Personnel Audit.</p> <p>Mr. Smith moved forward on the Agenda to discuss the Exception Tracker.</p> <p>c) Update on the Procurement Audit Notes: Mr. Smith provided an update on the Procurement Audit.</p> <p>The Audit Committee held discussion and asked questions regarding the Procurement Audit.</p> <p>Mr. Smith noted that the Procurement Audit would be ready for the March 1, 2023 Committee Meeting.</p> <p>d) Audit Plan for Budget Phase II Notes: Mr. Smith spoke regarding the Audit Plan for the Budget Phase II.</p>

	<p>Chair Agruso noted that the Budget Phase II would be delayed until later this spring.</p> <p>Ms. Kidder noted that MTC Audits are being done prior to the Budget Phase II.</p> <p>The Audit Committee held discussion and asked questions regarding upcoming audits.</p> <p>Ms. Kidder noted the upcoming audits:</p> <ul style="list-style-type: none"> • MTC – Point of Sale • MTC – Financial Aid • Contract Compliance • Budget Phase II <p>Following a question from Chair Agruso, Ms. Kidder requested the following items for the March 1, 2023 Committee Meeting:</p> <ul style="list-style-type: none"> • Procurement Audit • Update on the MTC – Point of Sale • Discussion on the Updated Risk Assessment • Discussion on the Engagement Letter <p>Following a question from Chair Agruso, the Executive Secretary noted that the Sales Surtax would be presented to the Board during the January 24th School Board Meeting.</p> <p>e) Exception Tracker Notes: Mr. Smith provided an update on the Exception Tracker. He spoke regarding the following reports:</p> <ul style="list-style-type: none"> • Payroll Overpayment Accrual • Personnel Report • Construction Operations • Position Control • Benefits <p>Mr. Smith returned to the order of the Agenda to discuss the Procurement Audit.</p>
Auditor General Financial Audit	<p>Notes: Chair Agruso spoke regarding the Auditor General Financial Audit and noted that it has been completed.</p> <p>The Audit Committee held discussion and asked questions regarding the Auditor General (AG) Financial Audit.</p> <p>Chair Agruso noted that on her report to the Board she will mention that the Audit Committee is concerned about the following three items.</p> <ul style="list-style-type: none"> • lack of communication regarding the AG's Audit • Costs and Funding of Health Care • Information presented for Charter Schools
Adjournment	<p>Chair Agruso adjourned the Meeting at 4:59 PM.</p>

Chairman, Audit Committee

Note Taker