



**School District of Manatee County
Audit Committee Meeting Minutes**

Meeting Date November 1, 2023

Meeting Time 2:00 PM – 5:00 PM

Meeting Location: Walter E. Miller School Support Center

Committee Chairman: Jim Daniel

Note Taker: Danielle Domicolo

Attendance:

Assigned Committee Members: Jim Daniel, Chair; Joe Blitzko, Vice Chair; Ginger Mentzer, Member; Skip Wagner; Member (absent)

Board Liaison: Board Member Mary Foreman

Other Attendees: Rachel Sellers, Deputy Superintendent of Business Services; Lori Kidder, Carr Riggs & Ingram; Mark Smith, Carr, Riggs & Ingram; Pat Forsythe, Financial Aid Coordinator, MTC
Ruth Gruett, Director, Purchasing and Distribution, joined meeting at 2:40

1. Opening:

a. Call to Order

Chair Daniel called the meeting to order at 1:59 pm.

b. Audio Recording

Chair Daniel announced that the meeting was being audio recorded.

c. Review and Accept Minutes from September 6, 2023

There was a discussion and a minor change made to the draft minutes for the correction of an acronym.

Motion: Motion to approve the September 6, 2023 Minutes was made by Member Mentzer and seconded by Vice Chair Blitzko.

The motion was approved 3-0

2. Public Comments

Notes: There was no request for public comment.

3. Member Comments

Notes: Chair Blitzko asked Board Member Foreman to comment on the most recent Board Meeting.

Ms. Foreman reported a question about the committee's lack of members which can cause an issue about a quorum. There was also a question at the meeting about the usefulness of the committee. Ms. Foreman also mentioned there was a concern about committee members not having same accountability as employees since they are volunteers.

Ms. Foreman brought up the idea of attracting more people with a stipend from the district. Member Mentzer brought up idea of combining Citizen's Financial Oversight Committee and Audit Committees.

Ms. Sellers mentioned the ballot language mentioning The Citizen's Financial Oversight Committee and Audit Committee.

A discussion was held regarding the difference between the two committees.

It was noted by the group that a discussion about the future of the committee should be had with the School Board.

4. Report regarding Internal Audit Projects from CRI

a) Manatee Technical College (MTC) – Financial Aid Internal Audit Draft Report

Notes:

Mr. Smith discussed the report included in the attachment packet.

- Policies and Procedures
- Compliance with Pell Grant Federal Guidance
 - o Awards
 - o Disbursements
 - o Withdrawals
 - o Reconciliations
- Student Guidance
- Separation of Duties and System Access
- Financial Aid process as it relates to the PeopleSoft Campus Solutions Module

Chair Daniel asked about the methodology and testing results. Additional information was provided by Mr. Smith.

Member Mentzer felt the report was an audit of the Pell grant versus the Financial Aid office. Discussion of other financial aid programs were held. Lori Kidder noted that the Pell Grant was the largest portion of the financial aid and held the highest risk in the financial aid office. She suggested possibly doing a separate audit on other financial aid funds.

A discussion was held for clarification of what the committee will present at the upcoming Board Meeting. Chair Daniel noted in November the committee will discuss what they have done and provide a presentation. At the December workshop, CRI will present their reports and provide additional information to the Board.

Motion: Motion to approve the MTC – Financial Aid Internal Audit Draft Report by CRI was made by Member Mentzer and seconded by Vice Chair Blitzko

The motion was approved 3-0

b) 2023 Sales Surtax Internal Audit Draft Report

Notes: Mr. Smith discussed the following procedures for the report:

- Documented beginning and ending balances for fiscal year ending June 30, 2023 of the Sales Surtax Fund.
- Traced all revenue and interest received from Sales Surtax Proceeds from the General Ledger to supporting bank statements for the fiscal year ending June 30, 2023.
- Tested a selection of expenditures through invoices and journal entries charged to each project and program.
- Reviewed reasonableness of project and program descriptions related to resolution qualifications.
- Tested a selection of Charter School Sales Tax Block Grant Expenditures.

Discussion and minor clarifying edits were made.

Ms. Mentzer noted she did not believe general technology for staff business should not be included in technology budget it should be in operating expenses.

Motion: Member Mentzer made the following motion:

Motion to obtain clarification from the Board attorney as to whether ongoing general IT costs, such as PeopleSoft licensing costs, meet the requirement of "purchasing technology" as defined and intended by School Board Resolution 2016-03. We think the intention is for new technology; not ongoing costs of running the district. The existing attorney letter in our package does not address this issue specifically, rather it speaks to whether the purchase of technology must be student directed.

This motion was seconded by Vice Chair Blitzko.

The Audit Committee held a discussion.

The motion was approved 2-1 (Chair Daniel was nay).

Chair Daniel noted The 2023 Sales Surtax Internal Audit Draft Report will not go forward for approval until clarification is obtained by the Board Attorney.

c) Medical Claims Update

Notes: No discussion due to time restraints.

d) Exceptions Tracker

Notes: No discussion due to time restraints.

e) Next Internal Audits

Notes: No discussion due to time restraints.

Chair Daniel called for a break at 3:53 pm

The committee returned at 4:02 pm

CRI was asked to leave the meeting for the next discussion.

*Item 5 was held until after item 6.

6. Old Business

RFP

Notes:

The RFP was posted on the website, and shared with CRI, which should not have been done according to statutes..

Ms. Gruett proposed some options to correct the mistake.

1. Go forward with RFP and tell CRI they can not proceed
2. Extend contract by 6 months and re-bid at that time
3. Since an Internal audit does not need to be selected by competitive bid (Statute was read), make the RFP an RFQ and extend the annual contract with CRI for one more year.

A discussion was held regarding the choices presented.

Motion: Chair Daniel made a motion to recommend to the board as a first choice to change the RFP to an RFQ, and a second choice to allow for an extension of the current CRI contract for 1 year and begin RFP a year from now. Member Mentzer seconded the motion.

Discussion was held regarding the options.

The motion was approved 3-0

Details of the RFQ were discussed among the committee members.

CRI returned to the meeting.

An update on the options were shared with CRI by Chair Daniel.

5. Report regarding status of external audit with Cherry Bekaert

Notes:

Ms. Sellers reported on how the audit was progressing. She stated it was going very well and shared some examples.

7. New Business

Notes: Due to time limitations no new business was discussed.

8. Next Meeting Date

a) January 10, 2024

9. Chair Daniel adjourned the meeting at 5:01 pm.