

Audit Committee Meeting

November 08, 2021 – 3:00 pm - 450 Park Place – Conference Room 139

Attendees:

Chris Ensslin (Audit Committee Chair)
Dave Osborne (Audit Committee)
Larry Forester (Audit Committee)
Jaclyn Badeau (Audit Committee)
Mark Sellers (Audit Committee)
Allison Marcum (Audit Committee)
Bill Kohm (Dean Dorton - Internal Auditor)
Jim Tenza (Dean Dorton - Internal Auditor)
Jeanna Jones (Strothman & Co– External Auditor)
Katie Reed (Strothman & Co – External Auditor)
Amy Greene (FCPS Board Member)
Tom Jones (FCPS Board Member)
Rodney Jackson
Alicia Miller (Compliance Officer)
Bret Nathaniel (Equity Council)
Kyna Koch
Jennifer Dyer
Tiffany Williams
Becky Riley
Sherry Price
Casondra Jones

INTRODUCTION & APPROVAL OF MINUTES

Minutes approved

EXTERNAL AUDIT UPDATE – STROTHMAN AND COMPANY

Gave update on independent auditors report for FY2021 (Draft version) – Unmodified (clean opinion) this is the highest level opinion an organization can receive on all three required audits. District wide financial statements, Federal Grants Funds Single Audit and School Activity Funds. The expressed opinions were based on 3 reporting standards: Generally accepted audit statements, those applicable to financial statements under Government auditing standards and KY Code of School Districts audit contract.

It was asked by the committee after the audit was presented: “Is there some reasonable financial planning that looks beyond the current year?” The answer: The District is currently working on a 5 year budget projection. Mr. Jackson stated that he has trend analysis, that is done with over 20 years of historic information on expenses and revenues.

The Full Final report can found on FCPS website on or about November 15 at the following links:

- [Districtwide Audit](#)
- [School Activity Funds](#)

INTERNAL AUDIT UPDATE – DEAN DORTON ALLEN FORD (Payroll Related)

There were some findings, however, action has been taken and changes have been made. Management has been extremely cooperative throughout the entire time.

There was thorough testing with payroll and benefits transactions and all was good, controls are acceptable related to the regular Payroll and Benefits processes. High risks and opportunities to improve outside of regular processes, were identified where the auditors found there should have been more formal policies and procedures in place.

Management has been busy making these happen as they are high findings that require immediate attention. It was pointed out that there is now a new personnel committee appointed by the Superintendent. There were conversations with the Audit Committee Chair as well the Superintendent pertaining to checks and balances utilized in MUNIS. These are processes put in place for internal controls (preventative & detective).

The HR Director elaborated on a question of whether or not the practice of a verbal approval was appropriate at one time as the culture, she states a paper trail for approvals have always been in place. She also stated that she's happy the Superintendent now has an electronic or personal signature process but there has always been a paper trail, forms that went into personnel files (written documentation).

Two important things that went into the audit, management has asked that the internal auditors come back in the spring or summer for a repeat audit and as noted in the Governance report, an administrative compensation study by a third party will be conducted.

Recommending a deeper Human Resources audit and a Technology Structure audit.

Meeting was adjourned by Audit Committee Chair.