

THE SCHOOL BOARD OF SARASOTA COUNTY, SARASOTA FLORIDA062221
SCHOOL BOARD AUDIT COMMITTEE MEETING MINUTES
June 15, 2022

ATTENDEES: Jane Goodwin (Chair), Mitsi Corcoran, Bonnie Penner, Nick Guy, Sue Memminger, Eric Robinson, Chris Stobaugh

GUESTS: Robert Broline, Lorri Kidder, Mark Smith - Carr, Riggs & Ingram (CRI)
Debra Giacalone, Amanda Coker, James Slaton (School District)

Meeting called to order at 2:10 p.m.

I. Welcome

Members and guests introduced themselves including Robert Broline, Lorri Kidder, and Mark Smith, from CRI, who are leading the operational/internal auditing services for the School Board.

II. New Business

Mr. Broline presented an overview of the internal audit for Contract Compliance which comprises of all contractual agreements of the District including vendor agreements. Contract compliance encompasses those activities performed from the time a contract has been executed until the agreed-upon work has been completed, invoices submitted, and payments made to the vendor. The following two contracts were evaluated: *Agility Physical Therapy & Sports Performance, LLC (Agility)* and *The Florida Center for Early Childhood, Inc. (The Florida Center, TFC)*.

The Contract Compliance report is organized in the following sections: Executive Summary, Background, Objectives and Approach, and Observations Matrix which includes Recommended Action and Management Response.

The report is organized into the following sections:

Executive Summary

This provides a summary of the observations and testing results related to the internal audit of Contract Compliance.

As outlined in the 2019 Risk Assessment for the Internal Audit Plan, Contract Compliance was identified as a top 10 risk. The objective of this internal audit was to evaluate if the monitoring in place by contract owners was adequate and appropriate for effective contract compliance as it relates to duties and responsibilities outlined within the contract. This included the review and affirmation that the services provided by the vendor were in line with the contract

as well as the fees charged by the vendor agreed to the contract. Also assessed were the monitoring processes in place for opportunities for improvement.

Background Overview

This provides an overview of the Contract Compliance of the selected contracts.

Contract compliance encompasses those activities performed from the time a contract has been executed until the agreed-upon work has been completed, invoices submitted, and payments made to the vendor. Although the procurement function is mainly centralized within the Purchasing Department, which was reviewed during the audit of the purchasing function, contract administration and monitoring are decentralized to the individual departments and contract owners.

Objectives and Approach

The internal audit objectives and focus are expanded upon in this section as well as a review of our approach.

The internal audit approach consisted of three phases: Understanding and Documentation of the Process, Detailed Testing, and Reporting.

During the first phase, an entrance conference with key personnel involved with the Contract Compliance function was held to discuss the scope and objectives of the internal audit work, obtain preliminary data, and establish working arrangements.

Observations Matrix

This section provides the results of the internal audit procedures, including recommended actions and management's responses.

The Observations Matrix consisted of the following sections: *Agility* – Invoice Review and Approval, *Agility* – Athletic Trainer Certification Verification, *Agility* – Team Physicians, *Agility* – Athletic Training Equipment, *TFC* – Standard Contracted Day, *TFC* – Licensed Mental Health Therapist, *TFC* – Therapist Background Checks, *TFC* – Hiring of TFC Employees.

Enhancements/Best Practices

This section provides enhancements/best practices.

Contract Clauses / GMP Assumptions - A list of 10 best practice recommendations were based on the review of the Emergency Management Improvements Project and the experience in performing numerous contract reviews for other clients.

Key Performance Indicators – Management currently utilizes key performance indicators to measure performance. It is recommended that management enhance

current KPI's as well as develop new KPI's that facilitate more effective and efficient management of each project.

Capital Construction Specialist – It is recommended that management evaluate the feasibility of establishing a Capital Construction Specialist position, which would have responsibility for the projects once they are included in the five-year capital plan and until they are assigned to a particular Project Manager. A list of responsibilities were listed for this position.

Staffing Level Needs – It is recommended that management perform a cost/benefit analysis of the current staffing structure including possible realignment leveraging the construction services staffing analysis outlined by management.

At the conclusion of the procedures, documentation was made of the understanding for the Contract Compliance function and the summarized observations related to this function. An exit conference with management was conducted, and the responses were incorporated into the report.

III. **Member Comments**

Mr. Broline, Ms. Kidder, and Mr. Smith answered several questions asked by the Audit Committee members throughout the report discussion.

Motion: That the Audit Committee accept the CRI Internal Audit for Contract Compliance and present it to the Board.

Motion: Eric Robinson
Second: Chris Stobaugh

Ayes: Jane Goodwin, Nick Guy, Sue Memminger, Eric Robinson, Chris Stobaugh
Nays: 0

The motion passes 5:0.

Motion: That the Audit Committee recommends to the Board to add additional audits and also follow-up audits that the Board requests.

Motion: Eric Robinson
Second: Chris Stobaugh

Ayes: Jane Goodwin, Nick Guy, Sue Memminger, Eric Robinson, Chris Stobaugh
Nays: 0

The motion passes 5:0.

The Audit Report will be presented to the Board at the August Work Session at which time the engagement letter will be discussed.

Meeting adjourned at 4:04 p.m.

Respectfully submitted,
Kathy Tomkins