

11-19-10 – Audit Committee Meeting

Eddie Burke - Explanation of audit documents and required documents

- Audit went smooth with full cooperation from staff
- No audit adjustments and no proposed adjustments
- No past adjustments (when a big discrepancy shows up & adjustment has to be made)
- In the past the internal audit staff helped more with the audit process & gathering info, but were not as available this year due to retirement of the director of that dept.
- 3 areas for opinions: Complying with General Statute. complying with regulations for receiving federal money, and, complying with regulations for receiving state money.
- Couple of minor non-compliance findings: 1. Received funds and started using them, then a change in directive from feds meant WCPSS not in compliance (corrected as soon as resolution issued) 2. Couple of minor non-compliance personnel issues that are typical with large school systems
- Mentioned a weakness in schools that they are aware of that deals with individuals handling money without tight controls – this is being handled internally, but considered a weakness
- Audit took approx. 1000 hours vs. around 800 last year because of stimulus money
- Audit handled in 2 teams: (1)for schools (2)for financial statements
- It was mentioned that WCPSS has been in contact with federal auditors due to stimulus money, even though it was state issued they feel WCPSS is contacted due to proximity

David Neter - \$27 - \$28M in federal jobs money received (can be spread over 3 year period) will factor heavily in this year's budget.

Mark Winters – to address schools funds, there is one treasurer at each school & central services has the ability to oversee online

- Governor had made a request that all ARRA positions be posted with Employment Security Commission. WCPSS was sending postings monthly, but not all positions were being posted due to Emp. Sec. Comm. having trouble accessing the files. WCPSS is now sending all job postings, and they think the problem is solved.
- WCPSS received federal funds through the state b/4 federal guidelines were finalized. The state was saying to spend the money fast, so WCPSS started purchasing Pre-K supplies. Then the feds issued directive requiring additional advertising for contract. WCPSS corrected and now in compliance. (Eddie Burke indicated that this was the same finding with every school system.)
- 80% of WCPSS budget is payroll. WCPSS intentionally over spends and pays it back at end of the year from local dollars. This is done to keep the state money
- WCPSS has overpaid and underpaid employees (such as teacher gets paid for entire month in August even though she has only worked a couple weeks.

David Neter – internal audit director retired in June. Donna Hargens asked David Neter and Mark Winters to help guide the audit department.