

The meeting of the Audit and Finance Committee was called to order on Thursday, January 05, 2012 at 3:27 p.m. by Cindy Bohn Coats, Chair. Members in attendance included: Craig Ascue, Elizabeth Kandrak (via telephone), Bonnie Lester and Bret Johnson.

Staff included Michael Bobby, Bill Lewis and Larry Lutrario.

Guests: Robert Corbin, Kevin Kelly and Rick Holt.

Executive Session began at 3:27 p.m.

In Executive Session: Cindy Bohn Coats, Craig Ascue, Elizabeth Kandrak, Bonnie Lester, Bret Johnson, Michael Bobby, Bill Lewis, Robert Corbin.

Open Session began at 4:05 p.m.

Vote on Motions from Executive Session

Rivers Phase 2

Vote: 5 – 0 to take the Rivers Phase 2 Tenant Upfit/Site Improvements to full Board on January 23, 2012.

Coats	Yes
Ascue	Yes
Kandrak	Yes
Lester	Yes
Johnson	Yes

Buist

Vote: 5 – 0 to take the Buist Academy – Seismic Retrofit & Early Pile Package to full Board on January 23, 2012.

Coats	Yes
Ascue	Yes
Kandrac	Yes
Lester	Yes
Johnson	Yes

Audit Plan update by Cathleen Cox

Ms. Ascue – is there is anything we can do to bring stability to your audits, please let us know. Is this to guarantee that everyone is paid correctly?
 Answer: No, we plan to look at terminations and salary table data.

Mr. Ascue: Can we make sure we are as explanatory as possible with checks/payroll. Mr. Bobby said we are making sure of notifying employees of the details of their pay. Our expectation going forward is to notify every employee of the details of their pay when they begin employment with the District.

Ms. Lester: Would this include benefits information?
 Answer: Employees are able to select the benefits they want. Yes. Employee Self-Serve does give this information.

Ms. Cox: We are also approving a program for compliance to procurement card practices.

Mr. Ascue reminded everyone of his comment that Internal Audit should have another staff person. Mr. Bobby added that we are planning to look into adding a full-time employee.

Ms. Lester: If you had to pick an area of high risk, what would it be?
 Answer: Cash out at Food Services.

Ms. Lester: How much cash? Mr. Bobby stated that annual revenue (not all cash). Allen Milburn added that the \$'s are \$5.8M.

Ms. Lester: With the size of the program and risks we are facing, we should be using this to determine if we need additional staff.

Mr. Bobby: we are also looking at a different way of depositing daily receipts. We are considering using an armored car service.

Bret Johnson: Do you do an annual risk assessment and base your staffing needs on the outcome? Answer: We do not share it outside the department.

Mr. Bobby: Would you be able to share the risk assessment with the project team address what Mr. Johnson suggested? Answer: That is management's assessment of risk which is not the same as the auditor's assessment

Ms. Lester: We need to put on the table to expand the number of folks in Internal Audit. Ms. Coats stated we should be able to find the dollars to support additional staff for Internal Audit.

Motioned by Ms. Lester and seconded by Mr. Johnson to move the audit plan to full Board on January 23, 2012.

Vote: 5 – 0

Coats	Yes
Ascue	Yes
Kandrac	Yes
Lester	Yes
Johnson	Yes

Request to Utilize FY 2012 FCO – Facility Maintenance Capital Budget to Fund Restroom Renovation Project at James B Edwards – Update provided by Eric Cook.

Mr. Ascue: What’s the cost? Answer: \$100,000. Mr. Bobby has asked Troy Williams to provide additional document that will show from and to; where the contingency is and what projects we had savings in. Will send to the committee.

Mr. Ascue: Restrooms at Lincoln need to be checked also. **Action:** We will do an estimate to get this done and determine if we can do this year or hold for fixed cost for 2013.

Ms. Kandrac: Complaints received from teachers that hand dryers being disruptive which are located right outside the classrooms. **Action:** Mr. Bobby stated we will add to our design guidelines and consider for future projects.

It was motioned by Mr. Ascue motioned and seconded by Ms. Lester to move to full board on January 23 for consideration based on additional information about the reallocations.

Vote: 5 - 0

Coats	Yes
Ascue	Yes
Kandrac	Yes
Lester	Yes
Johnson	Yes

Mr. Bobby: Fixed Cost – we are looking at a schedule change for issuing funds. We currently include capital budget adopted in June and money is not available until November. We are asking that we forward a request to the Board to add FCO to the issuance in the spring so we can receive our money in May and have it available for work May 2012 through the next fiscal year. However, this will mean making a decision on the capital budget early. Ms. Coats agrees with simplifying moving money around.

Mr. Johnson: Fraud, Waste, and Abuse Hotline – Have we ever had a reporting hotline/compliance hotline? A report of the calls and type of calls received would be very beneficial. HR will need to be tied into the process. The process requires a lot of management and would need a very good tracking system.

Capital Projects Report

Mr. Bobby gave an overview of the report provided by Joyce Costello.

Cash expenditure for November is relatively small.

Ms. Coats had question about Sullivan’s information on the report. Mr. Bobby explained that this project is currently in program contingency. We will have a close-out meeting to determine any dollars left in other projects that can be used for funding other projects.

Ms. Coats – when can we see some of the CEEFC activity? Answer: Within 60 days.

Adoption of Revised Methods for Handling Surplus, Grounds and Facilities

The existing practice and procedures for handling properties will be sent to all committee members so they are able to make the comparison to the new version.

Ms. Crooks gave an overview of how we determine what is surplus and how the sale should be handled. Once the information is taken to the Board, they will determine how to handle the sale; i.e., whether to list for sale, whether to lease and for what terms/conditions, what is in the best interest of the District. This gives the Board the ability to work in a way to determine what is best.

Ms. Coats: Do we have a policy for disposal of properties? Answer: Yes. This is not designed to change the policy. Ms. Lester gave an example of working with the physicians.

Mr. Bobby: We will come back to Board with the information and the Board will give us the marching orders. It would be the same as with the College of Charleston on the Memminger site.

Ms. Lester: This allows you to have the negotiations.

Mr. Ascue: How does this drill down to smaller items such as FFE? Answer: anything that has to do with fixtures is governed by the procurement code. Real estate, by law, has more flexibility in how to handle. Mr. Feil added that the code deals with equipment but not property.

Ms. Coats: Add this to January 23 Board packet. Also send to Policy to see that this does not change policy. Motioned by Ms. Lester and seconded by Mr. Ascue to move to full Board with additional documents included.

Vote: 5 - 0

Coats	Yes
Ascue	Yes
Kandrac	Yes
Lester	Yes
Johnson	Yes

Committee chairs are selected by the committee. Nominated Ms. Cindy as Chair and Mr. Ascue as Vice Chair. No other nominations.

Vote: 5 - 0

Coats	Yes
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Johnson	Yes

Mr. Bobby shared information from Food Service Audit. Will send via e-mail to the committee. (COMPLETE)

Ms. KandraC: Do we have nominations for the citizens group on our committee? Answer: We need to have a Board meeting to let those members vote on who should be on the committee.

Meeting adjourned at 5:08 p.m.

Next meeting date will be determined. We will try to schedule in conjunction with the Citizens Oversight Steering Committee. Meetings will be held at Bridge View, Room 206-A.

Recorded By: Trena Haskell
