

# **PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**

## **Internal Audit Committee Meeting Minutes**

**September 19, 2012, 4:00 p.m.**

**Edward L. Kelly Leadership Center**

**14715 Bristow Road**

**Manassas, Virginia 20112**

**Room 3011**

### **Committee Members Present:**

Milton Johns, Chairman, School Board Representative

Gilbert Trenum, School Board Representative

Dave Cline, Associate Superintendent for Finance & Support Services

### **Alternates Present:**

Lisa Bell, School Board Representative

Rae Darlington, Deputy Superintendent, School Division Member

### **School Board Members Present:**

Betty D. Covington, School Board Member

### **Staff Present:**

Dr. Steven L. Walts, Superintendent of Schools

Vivian McGettigan, Chief Internal Auditor

James Fagan, Division Counsel

John Wallingford, Director of Financial Services

Michael Mulgrew, Associate Superintendent for High Schools

Deborah Urban, School Board Clerk

I. Call to Order

The meeting was called to order at 4:06 p.m. The record reflects that a quorum was present. School Board Alternate Mrs. Bell stepped in for Mr. Trenum, who arrived during the closed session. At which time, she relinquished the seat on the committee to him.

II. Approval of Minutes

Minutes were approved unanimously for the May 2, 2012 meeting.  
(Motion - Dave Cline, Second – Lisa Bell)

Recorded Vote: Yes, Unanimous

III. Motion to Enter Closed Session 4:10 p.m.

Mrs. Bell made a motion, seconded by Mr. Cline, to go into closed session to discuss the performance of specific employees pursuant to the personnel exemption at Section 2.2-3711(A)(1) and to consult with legal counsel pursuant to the exemption at Section 2.2-3711(A)(7) of the Virginia Freedom of Information Act of the Code of Virginia.

Recorded Vote: Yes, Unanimous

IV. Open Session

At 5 p.m. the meeting was reconvened in open session by order of the chair.

V. Closed Session Certification

Mr. Trenum made a motion, seconded by Mr. Cline, that, pursuant to Virginia Code Section 2.2-3712, the Closed Session of the Prince William County School Board Internal Audit Committee meeting of September 19, 2012 be certified by adopting the following resolution:

NOW THEREFORE, BE IT RESOLVED that the Prince William County Public Schools' Internal Audit Committee hereby certifies that, to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting requirements were discussed in the closed meeting which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the Prince William County Public Schools' Internal Audit Committee.

Recorded Vote: Yes, Unanimous

VI. Review of Remaining Agenda Items

Due to the longer time required for the closed session discussion, Mrs. McGettigan suggested that the two procurement card reports and the Discussion of the Process for Communication of Audit Reports agenda item could be deferred to the November meeting. She suggested that she present the recommendations for the 2013 Audit Plan to the Committee so that they could act on the Committee's priorities so that the formal audit plan document could be presented at the November committee meeting. The committee agreed with deferring the reports and addressing the Audit Plan with an overview of the Long-Term Staffing Plan.

VII. Preliminary 2013 Audit Plan

Mrs. McGettigan presented the Preliminary 2013 Audit Plan, discussing her observations and knowledge gained from the first two years of internal audits and how these observations shaped her recommendations to the Committee for the 2013 Audit Plan. She discussed the one page 2013 Audit Plan chart highlighting the changes from 2012 to 2013. Mr. Johns requested additional information related to the recommendations for Audit of the Leave Process and Process Review – Additional Compensation Human Resources and Payroll Processes (recommendations 4. and 5. of the memo). Mrs. McGettigan stated that she was recommending an audit of leave processes, as she has encountered several situations in the past few months

that increase concerns that unrecorded leave may be overstating Division wide leave balances and may be resulting in overpaying employees. She also mentioned that because payroll-related expenses represent the most significant component of PWCS' budget, ensuring that compensation guidelines are defined, communicated, and reviewed for compliance is essential to reduce the risk of overpaying employees. After the Committee's discussion of the audit plan, Mr. Trenum made a motion to accept the recommended plan and Mr. Cline seconded the motion.

Recorded Vote: Yes, Unanimous

#### VIII. Proposal for Long-Term Internal Audit Staffing Plan

Mrs. McGettigan briefly presented the Long-Term Internal Audit Staffing Plan, which had been requested by the committee members in the past, to initiate the Committee's discussion of the appropriate level of staffing within our *World-Class* School Division. She mentioned that the report contained staffing information from comparable school divisions at a national level, as well as staffing information for all Virginia school divisions with independent Offices of Internal Audit. She observed that in the chart that was prepared last year, the average professional staff positions were 4.3 positions as compared to 4.9 positions in the current year's report. This increase appears to be due to PWCS moving from 45<sup>th</sup> to 42<sup>nd</sup> largest school division in the United States. The larger school divisions have well established, mature internal audit functions having been large school divisions for many years. Mr. Trenum asked Mrs. McGettigan for an overview of the position titles used by the comparable school divisions which she provided. Mr. Cline indicated that the upcoming budget year would not provide for the resources, but that it is a requirement for Mrs. McGettigan to continue to bring staffing information to the committee.

#### IX. Internal Audit Status Report

Mrs. McGettigan mentioned this meeting's status report, which is very comprehensive, covers the longest period between audit committee meetings

during the year (April 1 to August 31, 2012). The summer months provided time for her to be in the office to finalize reports and perform procurement card audits. She reminded the committee that the status report was developed at the request of the committee members to provide them with an update on the audit program and she encouraged their suggestions for information that would benefit them in their review.

X. Presentation of Audit Reports:

Mrs. McGettigan mentioned that 15 audit reports were included in the electronic file sent to the Committee and that the results were outstanding. The following reports were included in the committee packet:

**1. School Audits:**

- a. Glenkirk Elementary School
- b. Old Bridge Elementary School
- c. Pattie Elementary School
- d. Tyler Elementary School
- e. Williams Elementary School

**2. Procurement Card Audits:**

- a. Battlefield High School – School Activity Fund Account (SAFA) Travel Card 2
- b. Belmont Elementary School Supplies
- c. Benton Middle School Science Supplies
- d. Graham Park Middle School Physical Education Supplies
- e. Instructional Technology Travel
- f. Office of Facilities Services’ Maintenance Plumbing West
- g. Marshall Elementary School Instructional Supplies
- h. Osbourn Park High School Special Education Supplies
- i. Office of Human Resources Travel Card #2
- j. Office of Student Learning - Art

Upcoming Meeting

November 7, 2012, 4 p.m.

There being no further business, the meeting was adjourned at 5:09 p.m.