Agenda

July 25, 2024
School Board of Manatee County
Workshop - 9:00 AM
Walter Miller School Support Center
Board Room

Times Indicated are Approximate

I. CALL TO ORDER

II. PUBLIC COMMENTS

Public comment is not an open forum to discuss matters unrelated to education, to support or oppose candidates for public office, or to engage in commercial speech attempting to sell a service or product to the School Board or public. Also, public comment is not a forum to attack individual school system employees or Board Members. Any such complaints should be submitted in writing to the Superintendent for appropriate handling. Finally, this is not a forum for addressing issues involving individual students. Because of privacy concerns, such issues should be submitted in writing to the Superintendent for appropriate handling. Each speaker is allowed three minutes to address the Board. Speakers must stand at the podium and not approach the dais.

This is a business meeting of the School Board and the public expects that we conduct it in an orderly, efficient, effective and dignified manner. We request that speakers keep this in mind when making your comments. We also request that the audience keep that in mind and not demonstrate approval or disapproval of what a speaker has said by clapping or booing. The Board appreciates the public's input and will listen attentively, consider each comment, and usually will not respond, enter into debate, or answer questions during comments on agenda items or during the public comments section.

PUBLIC INPUT INSTRUCTIONS:
1. Before you begin speaking, please provide any handouts to the Agency Clerk.
2. Please identify yourself only by your full name for the record.
3. You have no more than three minutes to speak. Please stop speaking when the bell rings.
4. Florida Law requires all citizens to conduct themselves in an orderly fashion at public meetings.
5. **WARNING:** Any individual who interferes with the expeditious or orderly process of a School Board meeting, will be subject to removal from the meeting pursuant to Section 1001.372(3) Florida Statutes at the discretion of the Chair. Orderly fashion is deemed as, at a minimum (1) no profanity (2) no vulgar language (3) no discourteous, disrespectful, or disparaging conduct.

III. WORKSHOP

1. Audit Committee Quarterly Report to the Board and CRI Payroll Audit Report
2. Board Discussion Regarding the Audit Committee and the Citizen Finance Oversight Committee

IV. ADJOURNMENT

AGENDA ITEM NO. III.1

School Board of Manatee County
July 25, 2024 - Workshop

Title
Audit Committee Quarterly Report to the Board and CRI Payroll Audit Report

Executive Summary
The Audit Committee Chair, Mr. Daniel, will present a Quarterly Audit Committee Report to the School Board.

Mr. Mark Smith, of Carr, Riggs & Ingram (CRI), will provide a Presentation to the Board regarding the completed Payroll Audit Report.

Contact
Submitting Department: School Board

Attachments:
SDMC Payroll 2024 Report -

School Board of Manatee County

Internal Audit of Payroll Department

June 20, 2024

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Table of Contents

Transmittal Letter 1

Executive Summary 2

Background 5

Objectives and Approach 10

Observations Matrix 12

Attachment A – Detailed Testing Procedures 15

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Bradenton, FL 34205

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CRIcpa.com

June 20, 2024

Audit Committee and School Board of
Manatee County
215 Manatee Ave. W.
Bradenton, FL 34205

Pursuant to the approved 2023/2024 internal audit plan, we hereby submit the Internal Audit of the Payroll Department. We will be presenting this report to the Audit Committee at the next scheduled meeting on July 10, 2024.

Our report is organized in the following sections:

Executive Summary	This provides a summary of the observations and testing results related to our internal audit of the Payroll Department.
Background	This provides an overview of the Payroll Department and selective department statistics.
Objectives and Approach	The internal audit objectives and focus are expanded upon in this section as well as a review of our approach.
Observations Matrix	This section provides the results of our internal audit procedures, including our recommended actions and management's responses.

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We would like to thank all those involved in assisting the Internal Auditors in connection with the internal audit of the Payroll Department.

Respectfully Submitted,

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC

Executive Summary

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Executive Summary

Overview

The School District of Manatee County has approximately 6,800 short-term and part-time employees. The General Fund budget for Salaries and Benefits for fiscal year 2024 was $408,096,950, which accounted for 63.8% of the District's General Fund expenses. The Payroll Department supports payroll processing of all school sites and departments for the District through 26 bi-weekly, or On Cycle, payroll periods. Employees are paid through direct deposit by signing up using self-enrollment. The Payroll Department also processes payments through Off-Cycle payroll processing which occurs in between the bi-weekly payroll processing for purposes such as rejected direct deposit payments or supplemental pay. The Personnel Department is responsible for setting up employees and associated salaries for contract or hourly pay employees in the PeopleSoft system. The Payroll Department is responsible for the execution of the payroll process in the PeopleSoft system by working with the various school sites and departments throughout the pay period to ensure the accuracy and completeness of pay in accordance with established pay calendars.

Objectives

The primary objective was to assess whether the system of internal controls over the payroll function is adequate and appropriate for promoting and encouraging consistent application of management's objectives including compliance with laws, rules, policies and procedures, as applicable.

Methodology

We performed a risk assessment of the Payroll Department to determine risk with associated functions. We interviewed management, reviewed available policies and procedures, and previously issued reports to develop the risk assessment and the resulting audit program. During our audit we tested the following areas within the Payroll Department:

- Policies and Procedures
- Payroll Processing
- Timecard Exceptions and Mass Approval
- Paycheck Calculations
- Supplements
- Internal Revenue Service (IRS) Payments
- Florida Retirement System (FRS) Payments
- Terminated Employee Payments
- Records Management
- Bank Reconciliations
- System Access Reviews
- Separation of Duties
- PeopleSoft System Utilization

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Testing Results and Observations

Overall, the operating controls evaluated during this internal audit related to the primary objective noted above are rated as Satisfactory. The payroll process was determined to be operating effectively, as paychecks were accurately calculated and supported, and there is adequate separation of duties established. The Payroll Department utilizes queries to identify possible issues and anomalies that require review and corrections prior to completing the payroll runs. There was timely remittance of Internal Revenue Service Payments and Florida Retirement System Payments in accordance with regulatory guidance. Terminated employee pay was correctly calculated and supported. The established record retention schedule agrees to regulatory guidance and is being followed accordingly. Bank reconciliations are conducted timely, reviewed and approved by appropriate parties, and supported by system and bank records.

Observation ratings are a subjective evaluation of the severity of the concern and the potential impact on the operations. An observation rating of “High” represents an issue of immediate concern and could cause significant operational issues if not addressed soon. A “Moderate” rating is an issue that may also cause operational issues and does not require immediate attention but should be addressed as soon as possible. Observations given a “Low” rating could escalate into operational issues but can be addressed through the normal course of conducting business. The following is a summary of observations noted.

Ratings by Observation	Risk Rating
1. Timesheet Exception Reports	**Low**

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Background

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Background

Overview

The Payroll Department ("Payroll") is located at the Walter E. Miller School Support Center (SSC) and led by the Payroll Administrator. The Payroll Administrator reports directly to the Deputy Superintendent of Business Services. Within Payroll there are three Payroll Specialists, two Payroll Coordinators, and one Payroll Senior Specialist. Payroll supports the payroll processing of all school sites and departments for the District through 26 bi-weekly, or On Cycle, payroll periods using the PeopleSoft Human Capital management (HCM) System. Employees are paid by direct deposit through self-enrollment.

Throughout the school year and payroll process, Payroll works closely with the Personnel Department to ensure employee pay is accurate and supported. The Personnel Department is responsible for setting up employees and associated salaries for contract or hourly pay employees in the PeopleSoft system and maintaining salary supporting documentation. The Payroll Department is responsible for the execution of the payroll process in the PeopleSoft system by working with the various school sites and departments throughout the pay period to ensure the accuracy and completeness of pay in accordance to established pay calendars. Payroll is guided by Federal and State Statutes, District policies, established internal procedures, and PeopleSoft Job Aids.

There are eighteen (18) established Employee Calendars for the various positions within the District. The position of the employee dictates the calendar that is followed as the number of days and months for each position vary. The Employee Calendars are published on the District's Website. Paychecks are calculated based on the contract or hourly salary that is entered into PeopleSoft in conjunction with the Employee Calendar for the position. The District also offers additional compensation opportunities for employees through supplements. Supplements can be assigned based on certain qualifications, such as for those that have earned advanced degrees or completed advanced coursework in their field of certification. In addition, millage payments to employees are made through supplemental pay.

A wide variety of other supplements are paid to employees for longevity, recruitment and retention, extended work day, teacher supply funds, and supplements paid to teachers who are also athletic and other extracurricular activity coaches and sponsors. Supplemental pay may be entered in PeopleSoft by the Personnel Department or the Payroll Department. The type of supplement being paid determines which department has responsibility for ensuring the supplement is appropriately paid. Supporting documentation, consisting of paid employees and approval by schools or departments, are maintained as well as the ability to produce reports of supplement recipients. Supplement pay, depending on the type, is displayed as separate line items on employee paychecks.

The processing of payroll runs is driven by the Payroll Administrator who is guided by a checklist consisting of step by step instructions. The Payroll Administrator will send an initial email to District employees notifying them of upcoming payroll deadlines. The Payroll Administrator performs a number of system queries in conjunction with the checklist. These queries identify possible issues and anomalies that will need to be reviewed and corrected prior to completing the payroll run. There are daily time reporting exception reports that are distributed to the Payroll staff to review and work with assigned schools and departments to resolve prior to the final processing of payroll. A mass timecard approval process is performed by the Payroll Administrator prior to final processing of payroll. When completed, the Payroll Administrator will send an email notifying the same associates of the completion of the payroll process. As of June 15, 2024, the District has processed 151,780 checks for $321,741,377 in gross pay to 6,961 employees. This includes both On Cycle and Off Cycle checks.

The Information Technology Business Systems Analyst (BSA) will then perform a number of tasks guided by their procedures for the submission of employee pay and deductions. The BSA conducts an Accounts Payable (AP) Reconciliation to ensure that certain deductions match system generated reports. These deductions are for garnishments, retirement plans (not Florida Retirement System), charitable donations, etc. The BSA receives the Automated Clearing House (ACH) file from Payroll for employee net pay and submits to the credit union along with other supporting documentation. A wire transfer request is then sent

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to Accounting for the amount of the ACH file. The funds are sent from the District's bank concentration account via wire transfer to the credit union. Payments for deductions in the AP Reconciliation can be in the form of checks produced by the Accounts Payable Department, wire transfers conducted by the Accounting, or online payments. Supporting documentation is kept for each payroll run.

The District is considered a semi-weekly depositor by the Internal Revenue Service (IRS), and is required to deposit employment taxes for payments made on Wednesday, Thursday, and/or Friday by the following Wednesday. Deposits for employment tax payments made on Saturday, Sunday, Monday and/or Tuesday by the following Friday. Quarterly 941 filings are due by the last day of the month following the end of the quarter. The Contribution Summary for Florida Retirement System (FRS) payments must be submitted no later than 5pm EST on the fifth business day of the month to be considered timely. The BSA maintains supporting documentation for all IRS and FRS payments and filings, which include PeopleSoft system reports, submission confirmations, and payment approvals.

Off Cycle payroll runs consists of manual checks issued to employees. The Off Cycle process is guided by procedures and a checklist. Off Cycle checks are primarily for the reissuance of pay from the most recent paycheck for a number of reasons, such as possible errors or rejected direct deposit or error in pay, terminal payouts, or one time supplements that are approved after payroll runs and not included in On Cycle checks. Tax payments are made in accordance with IRS guidance, and FRS payments are included in the monthly process. Off Cycle checks are drawn from a payroll sweep account that is linked to the District's concentration account.

The Finance Department completes the monthly concentration bank reconciliation, and a review with accounting staff occurs by the third Monday of every month, chaired by the Deputy Superintendent of Business Services. The payroll bank account associated directly with the concentration account is a sweep account. Sweep accounts carry no balance and only fund when a debit or credit hits the account. This is a safety precaution as the sweep accounts are for payments, such as payroll and accounts payable. The payroll bank account is strictly for paper checks which are produced during Off Cycle payroll. At completion of the reconciliation review, the Deputy Superintendent of Business Services certifies the completion of the review of the reconciliation via memo to the Superintendent. The certification is then presented to the Board. It is noted on the certification that upon request, the cash ledger and bank statement summaries that support the "book" to "bank" amounts in the reconciliation, as well as screenshots from the PeopleSoft Treasury module are available. The certification notes that the reconciliation has been completed and if there are any variances.

The State of Florida – General Records Schedule GS1-SL for State and Local Government Agencies document outlines the record retention schedule that should be followed by State of Florida government agencies. The majority of payroll and payroll supporting documents have a retention period of 5 years. The District follows the retention schedules provided by the State. As the District has been on PeopleSoft for over 5 years, and supporting documentation has been kept digitally, payroll documentation has been kept electronically since implementation. The Property Records/Records Management Department maintains and tracks any older documents that are required by the State or instructed to store by the District's Legal Department. The *Records Management Compliance Statement* is completed each fiscal year and notes that the agency is in compliance with the State of Florida – General Records Schedule GS1-SL for State and Local Government Agencies.

The termination process starts with the completion of a Personnel Action Form (PAF) in the PeopleSoft system. The Personnel Department monitors for the submissions of PAFs in order to enter termination information and date in the system. Depending on the type of termination, employees are entitled to certain unused pay. Vacation eligible employees receive all unused vacation pay, with retired or beneficiaries of deceased employees also receiving any unused sick pay at a payout percentage based on years of service. Payroll will review the PAF and comment on the PAF the completion and date of their review. Payroll reviews the final calculation in the PeopleSoft system to ensure proper final payment and retention of the calculation documentation.

Retired and deceased employees' final payout for unused vacation and sick time are calculated by the Leave of Absence Specialist (LAS). The Retirement Specialist in the Employee Benefits Department determines the years of service and sends the information along with the retirement paperwork via email to the LAS. The Retirement Specialist obtains information on years of service from the FRS website. The

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LAS receives notification of retirements from the Retirement Specialists in the Employee Benefits Department. The LAS processes the payouts based on established Board Policies and union agreements. A Retirement Workbook in excel is used to calculate the payouts. Payouts for sick time are based on years of service and average salary over the past five years. Vacation payouts are based on unused vacation time balances at date of retirement. A package with supporting documentation is maintained for the calculated payout.

The Information Technology (IT) Department drives the PeopleSoft Semi-Annual Access Privilege Validation process. The semi-annual reviews occurs typically in October and March. Reports are generated by the Security Analyst and sent to department heads throughout the District. Status of the reviews are tracked using tickets through the District's Service Desk. The reports document the roles attached to each user, access level provided to each role, and cost centers and business unit access. The department head is instructed to review, identify, and verify current user access privileges and determine if access assigned is appropriate.

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Background - continued

Staffing

Key personnel from the Payroll Department, as well as other areas within the District, that are involved in the payroll function and related processes and assisted in the internal audit are as follows:

Title
Deputy Superintendent of Business Services
Payroll Administrator
Payroll Coordinator
Payroll Specialist
Senior Accountant
Business Systems Analyst - IT
Leave of Absence Specialist
Supervisor, Property Records/Records Management
Executive Secretary to Human Resources Chief Officer

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Objectives and Approach

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Objectives and Approach

Objectives

The primary objective was to assess whether the system of internal controls over the payroll function is adequate and appropriate for promoting and encouraging consistent application of management's objectives including compliance with laws, rules, policies and procedures, as applicable. Focus was on the control structure surrounding the Payroll Department and associated payroll processing functions.

Approach

Our internal audit approach consisted of three phases:

Understanding and Documentation of the Process

During the first phase, we held an entrance conference with key personnel involved with the Payroll Department to discuss the scope and objectives of the internal audit work, obtain preliminary data, and establish working arrangements. We reviewed the primary laws, rules and policies that govern the District's Payroll Department within the scope of this audit. We conducted interviews with management and staff and documented their respective roles in the processes. We updated our understanding of the processes and relevant controls and developed a risk based audit program.

Detailed Testing

The purpose of this phase was performance of testing procedures, based on our understanding of the Payroll Department and related payroll functions, to meet the objectives stated above. Our detailed procedures for the period July 1, 2023 through June 15, 2024 included inquiry, walkthrough and/or testing of individual transactions for the areas listed below. See Attachment A for Detailed Testing Procedures. Overall, the operating controls evaluated during this internal audit related to the procedures listed in Attachment A are rated as Satisfactory, any exceptions are noted in the Observations Matrix.

- Payroll Processing
- Timecard Exceptions and Mass Approval
- Paycheck Calculations
- Supplements
- Internal Revenue Service (IRS) Payments
- Florida Retirement System (FRS) Payments
- Terminated Employee Payments
- Records Management
- Bank Reconciliations
- System Access Reviews
- Separation of Duties
- PeopleSoft System Utilization

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Reporting

At the conclusion of our procedures, we documented our understanding of the Payroll Department and summarized our observations related to their adherence to the statues and guidelines. We conducted an exit conference with management and have incorporated management's responses into our report. We provided copies of our report to appropriate District personnel.

Observations Matrix

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Rating	Observation	Recommended Action	Management Response
Low	***1. Timesheet Exception Reports***		
	Throughout the payroll period, time reporting Supervisors review their direct reports' timesheets. As part of the process to ensure exceptions are being cleared, reports are produced daily during the payroll period for timecard exceptions. These reports are distributed via email to Payroll Coordinators and Specialists to contact and work the exceptions with their assigned schools and departments. The first exception report for the payroll period is usually sent out after the payroll run is completed for the preceding pay period. Most of the time exceptions are due to missed punches or punches out of order on timesheets by hourly employees. These are spotted and corrected the following day. There are also instances in which an employee might take vacation but also ended up working that day. The Payroll staff will contact and work on clearing the exceptions until the payroll run is completed, usually on the Tuesday after the pay period has ended. Corrections can be made by the Payroll Specialists or assigned time reviewers. Through discussion with the Payroll Administrator of the timesheet exception review process, and review of provided emails and corresponding timesheet exception reports for pay periods reviewed in this audit, exception reports are being distributed and reviewed throughout the payroll period. However, timesheet exception reports documenting any remaining exceptions just prior to the mass timecard approval process is performed is not being maintained. A report is distributed with exceptions at the start of the day, however, additional reports are not being kept to document the clearing of the exceptions throughout the final day of payroll processing and prior to the mass timecard approval process. In order to determine if exceptions were cleared prior to processing, we selected ten (10) exceptions from the February 20, 2024, *Time and Labor Exceptions Report,* which contained exceptions from the last day of the payroll period. We reviewed timesheets and paychecks in the	The Payroll Department should maintain the timesheet exceptions report prior to the mass timecard approval process to demonstrate clearing of exceptions.	**Response:** **The Payroll Department will retain the system generated timesheet exceptions report created prior to mass timecard approval process to demonstrate clearing of exceptions.** **Responsible Party:** **Payroll Administrator** **Estimated Completion Date:** **06/24/2024**

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	PeopleSoft system for corrections and clearing of exceptions. In PeopleSoft we were able to view corrections to timesheets by a Payroll Specialist or timekeeper supervisor for exceptions. For three out of ten exceptions we were not able to determine the resolution. We discussed these exceptions with the Payroll Administrator. The Payroll Administrator provided appropriate explanations and supporting documentation from the PeopleSoft system as evidence these exceptions were cleared.		

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ATTACHMENT A

Detailed Testing Procedures

Policies and Procedures

Reviewed the following documentation of the payroll processes for adequacy and to determine adherence to the policies by the District:

- Established District Payroll Policies
- Developed Payroll Department Procedures
- 2023/2024 Payroll Calendar and Deadline
- On Cycle Payroll Checklist
- Off Cycle Payroll Checklist
- Payroll Department Contact and Assignments
- IRS and FRS Reporting Procedures
- Payroll Process Procedures for Payroll Payments and Deductions

Payroll Processing

Documented the process performed for the processing of payroll by the Payroll Administrator. Obtained documentation that supports the process discussed and procedures/checklists provided.

On Cycle Payroll

Selected three (3) On Cycle Payroll Periods and tested for the following:

- Completion of *On Cycle Payroll Checklist* by the Payroll Administrator.
- Reviewed queries and documentation kept by the Payroll Administrator to support tasks on the checklist
- Obtained and reviewed email communications to the District to commence the start of the payroll process and completion of the upcoming payroll run
- Reviewed the Benefits Accounts Payable (AP) Reconciliation performed by the Business Systems Analyst for completion
- Traced the Benefits AP Reconciliation to supporting documentation such as PeopleSoft system queries
- Confirmed payments made to vendors and agencies matched for deductions on AP Reconciliations
- Obtained and reviewed Wire Transfer Form for the ACH File sent to the Bank for employee paycheck payments to ensure amounts are supported by system reports and proper approval by District staff

Off Cycle Payroll

Selected twenty (20) Off Cycle Payroll Checks and tested the following:

- Appropriateness of reason for check to be off cycle
- Supporting documentation to process the check

Timesheet Exception Reports

Selected a payroll period during the 2023/2024 school year and performed the following:

- Obtained the exception emails and reports distributed to the Payroll Specialist
- Reviewed the *Time and Labor Exception Reports* throughout the payroll period for clearing of exceptions

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- Reviewed the final day *Time and Labor Exceptions Reports* for clearing of exceptions prior the mass timecard approval process
- Selected 10 exceptions to determine if exceptions were being cleared, from the February 20, 2024 *Time and Labor Exceptions Report* and reviewed timecards and paychecks in the PeopleSoft system

Paycheck Calculations

Selected a sample of twenty (20) employees (15 new hire and 5 existing) and performed the following:

- Verified employee information (i.e. calendar code, pay class, start day, hourly rate or annual amount, days/months/hours, pay grade) in PeopleSoft is correct based on forms and other documentation provided by the Personnel Department
- Verified employee timesheet or other supporting documentation as evidence for the hours the employee worked during the first pay period
- Recalculated pay to ensure amount paid to employee on the paycheck was accurate based on supporting documentation

Supplements

Documented and reviewed support of the payment of the supplement:

- Reviewed Supplement List paid in 2023/2024 provided by the Payroll Department
- Obtained supporting documentation for a sample of supplements paid
- Compared Supplement List to other payroll testing performed throughout the audit

Internal Revenue Service Payments

Obtained 941 Quarterly filings for the 2023/2024 school year and reviewed the following:

- Timely submission of the 941 quarterly filing
- 941 quarterly balancing sheet and payments made
- IRS payment summary from the Electronic Federal Tax Payment System
- PeopleSoft tax payment reports

Florida Retirement System Payments

Selected three (3) months for the 2023/2024 school year and reviewed the following:

- Timely submission of FRS Payments
- PeopleSoft FRS Reports
- Payment Submission Verifications from FRS

Terminated Employees

Selected twenty (20) terminated employees, thirteen (13) terminated (other than retired or deceased), five (5) retired employees, and two (2) deceased employees and tested the following:

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Terminated Employees:

- Personnel Action Form (PAF) in PeopleSoft is completed in a timely manner and reviewed by the Payroll Department.
- Termination date in PeopleSoft is appropriate based on termination information in the PAF.
- Final paycheck to employee is properly calculated for remaining days and time worked.

Retired and Deceased Employees:

- Letter created to employee accurately states payout amount
- Retirement form completed to calculate amount owed to employee
- Calculation supported and amount calculated correctly
- EARLY/NORM/DISABILITY form completed with correct years of service and signed
- Years of service calculated correctly
- Average hourly rate calculated correctly

Records Management

Obtained the established Record Management Policy for the District and reviewed:

- Compliance with State of Florida – General Records Schedule GS1-SL for State and Local Government Agencies
- Submission of *Records Compliance Statement* for most recently completed year (2022/2023)
- Older documents on file to validate that the record retention is being followed based on established policy.

Bank Reconciliations

Reviewed three (3) monthly concentration bank reconciliations for the following attributes:

- Timely performance
- Appropriate review and approval by Management
- Presentment to the Board
- Supporting system and bank balances
- Reasonableness of in-transit items
- Escheatment of unclaimed property to the State

System Access Reviews and Separation of Duties

Performed the following to review system access and logical segregation of duties:

- Reviewed for completion of the PeopleSoft Semi-Annual Access Privilege Validation for Payroll Department employees
- Obtained additional reports to ensure proper separation of duties.
- Reviewed access to the credit union account to ensure it is limited to appropriate and active employees

PeopleSoft Utilization

Provided the Payroll Administrator the Payroll Department PeopleSoft Questionnaire for completion.

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AGENDA ITEM NO. III.2

School Board of Manatee County
July 25, 2024 - Workshop

Title
Board Discussion Regarding the Audit Committee and the Citizen Finance Oversight Committee

Executive Summary
Chair Chad Choate requested a Board discussion regarding any and all aspects of the Audit Committee and the Citizen Finance Oversight Committee.

Contact
Submitting Department: School Board
Initiated by: Chad Choate

Attachments:
CLEAN 8-8-23 Charter (Current)
2024-06-06 Charter redline (Requested by CFOC)
2022-10-25 Board Approved Audit Committee Charter - Current as of October 2022

SCHOOL BOARD OF MANATEE COUNTY, FLORIDA

CITIZENS FINANCIAL OVERSIGHT COMMITTEE CHARTER

August 8, 2023

MISSION

The mission of the Citizen's Financial Oversight Committee ("Committee") as constituted in School Board of Manatee County, Florida, ("School Board") Resolution 2017-11 is to provide oversight to ensure proper fiscal stewardship of operating funds provided by the Special Election approving a one-mill increase in the school ad valorem tax as provided by Section 1001.73(2) of the Florida Statutes and future extensions of the additional millage.

The Committee shall issue an annual report no later than sixty days after the School Board certifies it annual financial report to ensure proper fiscal stewardship of the funds generated by the additional ad valorem taxes. Also, the Committee shall identify relevant outcomes and report results to the community.

The School Board has pledged "that the revenues generated by the additional millage for operational purposes shall be used to increase student achievement through more instructional time and after-school tutoring, recruit and retain teachers and staff with competitive salaries, expand Career and Technical Education and STEM programs to prepare students for the workforce, and to support charter schools. The money shall only be used for the purposes listed above."

It is the Committee's charge to verify, comment, and report compliance with the School Board's pledge of the use of the funds from the Ad Valorem Millage Election.

COMPOSITION OF COMMITTEE

The Committee members consist of volunteers appointed by the School Board. The Committee members must be independent and not employees of the Manatee County School District or otherwise have a continuing conflict of interest with the Committee and its work and/or Charter. A Committee member shall be deemed independent if the member is compliant with Chapter 112, Part III, Florida Statutes, the Code of Ethics for Public Officers and Employees. Notwithstanding the foregoing, the president of the Manatee Education Association and the president of the local chapter of the American Federation of State, County, and

unicipal Workers, who represent employees of the School Board in collective bargaining, shall be non-voting ex officio members of the Committee.

Effective June 30, 2021, the Committee will consist of a minimum of seven and a maximum of twelve members. The term of the members will coincide with the School District's fiscal year ended June 30. All terms will be for three (3) years. Should vacancies occur on the Committee, the School Board may appoint a replacement to fill the vacancy for the remainder of the vacant term. Candidates for membership shall be interviewed by the Chair of the Citizens' Financial Oversight Committee and one Board Member.

Committee members are subject to the Florida Government in the Sunshine Laws and members will be required to attend an introductory course to the Florida Open Government Laws within a reasonable time after their initial appointments to the Committee. Committee members may be removed from the Committee by the School Board for any of the following reasons: resignation by the member, lack of attendance (miss 3 consecutive meetings without communication with the Committee Chair), or for repetitive failure to adhere to the required responsibilities or standard of conduct expected of a Committee member.

ADMINISTRATIVE

The Committee shall meet at least quarterly and more frequently if the need arises. A quorum shall be a majority of the membership plus one. The Committee will report to the School Board at least quarterly. The Committee will review the Committee Charter and submit any recommended changes to the School Board for its review and approval no less than annually. All decisions shall be reached by a majority of the voting members present. Any recommendations to the School Board shall be approved by a simple majority (51%) of the voting members of the total Committee membership. The Committee will select the Chairman and Vice-Chairman annually. Vacancies in the office of Chair and Vice-chair shall be filled by the Committee.

There may be Subcommittees to divide the workload and members of the Citizens' Financial Oversight Committee will be appointed by the Chair to these committees. The Citizens' Financial Oversight Committee may establish or dissolve subcommittees by a majority vote of the Committee.

The School Board will provide administrative support and access to information and/or data as is necessary for the Committee to perform its assigned tasks. The School Board shall assign Committee members a School District email account used

for all Committee and official mailings. Official email accounts are restricted to official use and shall not be used for personal mailings or any other personal business. The Committee's meeting agenda and minutes of the meetings will be provided to the School District's Agency Clerk for posting on the School District's website and will be maintained as per Florida Statute.

SCHOOL BOARD OF MANATEE COUNTY, FLORIDA

CITIZENS FINANCIAL OVERSIGHT COMMITTEE CHARTER

August 8, 2023

MISSION

The mission of the Citizen's Financial Oversight Committee ("Committee") as constituted in School Board of Manatee County, Florida, ("School Board") Resolution 2017-11 is to provide oversight to ensure proper fiscal stewardship of operating funds provided by the Special Election approving a one-mill increase in the school ad valorem tax as provided by Section 1001.73(2) of the Florida Statutes and future extensions of the additional millage.

The Committee shall issue an annual report no later than ~~sixty days~~ the 4th meeting of the Committee after the School Board certifies it annual financial report to ensure proper fiscal stewardship of the funds generated by the additional ad valorem taxes. Also, the Committee shall identify relevant outcomes and report results to the community.

Formatted: Superscript

The School Board has pledged "that the revenues generated by the additional millage for operational purposes shall be used to increase student achievement through more instructional time and after-school tutoring, recruit and retain teachers and staff with competitive salaries, expand Career and Technical Education and STEM programs to prepare students for the workforce, and to support charter schools. The money shall only be used for the purposes listed above."

It is the Committee's charge to verify, comment, and report compliance with the School Board's pledge of the use of the funds from the Ad Valorem Millage Election.

COMPOSITION OF COMMITTEE

The Committee members consist of volunteers appointed by the School Board. The Committee members must be independent and not employees of the Manatee County School District or otherwise have a continuing conflict of interest with the Committee and its work and/or Charter. A Committee member shall be deemed independent if the member is compliant with Chapter 112, Part III, Florida Statutes, the Code of Ethics for Public Officers and Employees. Notwithstanding the foregoing, the president of the Manatee Education Association and the president of the local chapter of the American Federation of State, County, and

~~unicipal~~municipal Workers, who represent employees of the School Board in collective bargaining, shall be non-voting ex officio members of the Committee.

Effective June 30, 2021, the Committee will consist of a minimum of seven and a maximum of twelve members. The term of the members will coincide with the School District's fiscal year ended June 30. All terms will be for three (3) years. Should vacancies occur on the Committee, the School Board may appoint a replacement to fill the vacancy for the remainder of the vacant term. Candidates for membership shall be interviewed by the Chair of the Citizens' Financial Oversight Committee and one Board Member.

Committee members are subject to the Florida Government in the Sunshine Laws and members will be required to attend an introductory course to the Florida Open Government Laws within a reasonable time after their initial appointments to the Committee. Committee members may be removed from the Committee by the School Board for any of the following reasons: resignation by the member, lack of attendance (miss 3 consecutive meetings without communication with the Committee Chair), or for repetitive failure to adhere to the required responsibilities or standard of conduct expected of a Committee member.

ADMINISTRATIVE

The Committee shall meet at least quarterly and more frequently if the need arises. A quorum shall be a majority of the membership plus one. The Committee will report to the School Board at least quarterly. The Committee will review the Committee Charter and submit any recommended changes to the School Board for its review and approval no less than annually. All decisions shall be reached by a majority of the voting members present. Any recommendations to the School Board shall be approved by a simple majority (51%) of the voting members of the total Committee membership. The Committee will select the Chairman and Vice-Chairman annually. Vacancies in the office of Chair and Vice-chair shall be filled by the Committee.

There may be Subcommittees to divide the workload and members of the Citizens' Financial Oversight Committee will be appointed by the Chair to these committees. The Citizens' Financial Oversight Committee may establish or dissolve subcommittees by a majority vote of the Committee.

The School Board will provide administrative support and access to information and/or data as is necessary for the Committee to perform its assigned tasks. The School Board shall assign Committee members a School District email account used

for all Committee and official mailings. Official email accounts are restricted to official use and shall not be used for personal mailings or any other personal business. The Committee's meeting agenda and minutes of the meetings will be provided to the School District's Agency Clerk for posting on the School District's website and will be maintained as per Florida Statute.

AUDIT COMMITTEE CHARTER
School District of Manatee County, Florida
Revised October 25, 2022

MISSION

The mission of the Audit Committee is to assist the Manatee County School Board ("School Board") in providing oversight of the internal and external audit functions (See Sales Surtax for additional mission). The Audit Committee will advise the School Board in the following areas: review the scope and plan of the external and internal audits; recommend the continuation of services of the internal and external auditors ; review corrective action plans and necessary improvements based on audit findings and recommendations received from internal and external auditors; and assist to maintain open communications between the selected auditors, the School Board and the District's financial management. As part of its mission the Audit Committee may review non confidential reports from cybersecurity and information technology consultants hired by the School District.

The Audit Committee is not charged with any fiscal responsibilities of the School District and the School Board and the Superintendent retains the responsibility for the District's financial condition and for decision-making in all matters of policy and operation. The Audit Committee is not responsible for the outcome of internal and external audits. Additionally, the Audit Committee is not responsible for any consequences associated with fraudulent activities that may be uncovered during internal and external audits or in the course of otherwork completed. The Audit Committee members will not conduct "fieldwork" or other types of auditing, legal or accounting reviews or procedures.

COMPOSITION OF COMMITTEE

The Audit Committee members are volunteers who will be appointed by the School Board. The Audit Committee members must be independent and not employees of the Manatee County School District or employees of the appointed internal and external CPA firms or otherwise have a continuing conflict of interest with the School District. Committee members must be residents of Manatee County and be a CPA (active or retired) or had employment experience in school district financial operations. The Committee will consist of seven (7) members. The terms of the members will coincide with the School District’s fiscal year ended June 30. All terms will be for three (3) years, and Committee members may be appointed to serve consecutive terms. Should a vacancy occur on the Committee, the School Board may appoint a replacement to fill the vacancy for the remainder of the vacant term. Anyone interested in filling a vacancy will be interviewed by the Chairperson of the Audit Committee and the School Board Liaison to the Audit Committee prior to being presented to the School Board for appointment.

Committee members are subject to the Florida Sunshine Laws, and members will be required to attend an informative training session about the Florida Sunshine Laws within a reasonable time after their initial appointment to the Committee. Audit Committee members may be removed from

the Audit Committee by the School Board for any of the following reasons: resignation by the member; lack of attendance (miss 3 consecutive meetings without communication with the Audit Committee Chair); violation of the independence rules,Audit Committee Charter, and/or the Florida Sunshine Laws; or for any reason as determined by the School Board.

ADMINISTRATIVE

The Audit Committee will meet as the need arises, and will report to the School Board after each meeting. A majority of the Committee membership shall constitute a quorum. All decisions shall be made by a majority of a quorum present at a meeting. The Audit Committee will select the Chair and Vice Chair annually.

The School Board will provide such administrative support as is necessary for the Audit Committee to perform its assigned tasks. Requests for information, outside of regularly scheduled audits, shall be approved by a majority of the Audit Committee. Once approved, the Chair of the Audit Committee shall communicate that request in writing to the Board Staff Internal Auditor (BSIA). The BSIA shall communicate that request to the School Board Liaison for approval. Committee members will be assigned a School District email account that must be used for all Committee mailings, and may not be used for personal mailings.

The Audit Committee's meeting agendas and minutes of the meetings will be provided to the School District's Agency Clerk for posting on the School District's website. Audit Committee meetings will include time for Public Comment, and the Audit Committee will follow the public comment operating procedures established by the School Board for School Board meetings.

Periodically, the Audit Committee will review the Audit Committee Charter and submit any recommended changes to the School Board for approval.

EXTERNAL AUDIT SERVICES

The Audit Committee will meet with the external auditors after interim fieldwork to discuss risk assessment, audit scope and any known potential reporting problems or issues. After the completion of the audit fieldwork, the Audit Committee will meet with the external auditors to discuss drafts of the audited financial statements, reports on internal control and compliance and management letter comments prior to presentation to the Board and issuance. The Audit Committee will report to the School Board on acceptance of the audit and related reports and review any corrective action plans developed by the District’s staff. The Audit Committee will evaluate the work of the external auditors and make a recommendation to the School Board to continue their services for the remainder of any contract term or to terminate their contract.

The Audit Committee will review and make a recommendation on whether the School Board should approve any proposed non-audit services by the District's external auditor.

INTERNAL AUDIT SERVICES

The internal audit function may include both in-house internal auditor(s) and a contracted internal audit firm.

The Audit Committee will review the results of internal audit activities, reports and significant recommendations and findings as needed. The Audit Committee will report periodically to the School Board on such matters. The Audit Committee will review the long-range and annual internal audit plans to ensure that high risk areas and key control activities are periodically evaluated and tested. The Audit Committee may also make recommendations to the School Board for internal auditors to perform special studies or investigations based on identified risk assessments and areas needed for improvement.

The Audit Committee will evaluate the work of the internal auditors (in-house internal auditors and contracted internal audit firm) and make a recommendation to the School Board to continue their services for the remainder of any contract term or to terminate their contract.

INFORMATION TECHNOLOGY CYBERSECURITY

The Audit Committee may receive reports from information technology cybersecurity consultants and District staff. These reports will not include specific information that could compromise the security of the physical and/or virtual information technology of the District.

The Audit Committee may make recommendations to the School Board for information technology cybersecurity consultants to perform special studies or investigations based on identified risk assessments and areas needed for improvement.

The Audit Committee will evaluate the work of the information technology cybersecurity consultants and can make a recommendation to the School Board whether to continue their services or to not renew their contract.

MISSION - SALES SURTAX

An additional mission of the Audit Committee is to perform the procedures listed in School Board Resolutions 2016-03 and 2016-10. On November 8, 2016, the voters of Manatee County approved the extension of the existing school one-half cent sales surtax for capital outlay for educational facilities for fifteen additional years, from January 1, 2018, to ending on December 31, 2032. The above Resolutions charged the Audit Committee with review of the collection and proper use of the funds raised through the extension of the sales surtax.

AUDITOR SELECTION COMMITTEE

(1) Overview

The Audit Committee shall have a subcommittee known as the Auditor Selection Committee whose purpose is to comply with the Auditor selection procedures required in Florida Statute 218.391, as same may be amended over time. Only members of the Audit committee and one school board member may serve on this subcommittee. All members of the Audit committee may serve on the subcommittee if they desire, but are not required, and the minimum size of the subcommittee shall be no less than two members of the Audit Committee and one member from the School Board. The School Board member shall serve as the chair of the committee. A majority of the committee shall serve as a quorum.

While the primary purpose of the Auditor Selection Committee is to assist the School Board in selecting an auditor to conduct the annual financial audit required in Section 218.39; the committee upon request of the School Board, may also assist in selecting other auditors or auditing services being considered by the School Board.

The subcommittee is subject to all sunshine and public records laws and the public may not be excluded from the committee's proceedings.

(2) The Auditor Selection Committee shall:

(a) Establish factors to use for the evaluation of audit services to be provided by a certified public accounting firm duly licensed under chapter 473 and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy. Such factors shall include, but are not limited to, ability of personnel, experience, ability to furnish the required services, and such other factors as may be determined by the committee to be applicable to its particular requirements.

(b) Publicly announce requests for proposals. Public announcements must include, at a minimum, a brief description of the audit and indicate how interested firms can apply for consideration.

(c) Provide interested firms with a request for proposal. The request for proposal shall include information on how proposals are to be evaluated and such other information the committee determines is necessary for the firm to prepare a proposal.

(d) Evaluate proposals provided by qualified firms. If compensation is one of the factors established pursuant to paragraph (a), it shall not be the sole or predominant factor used to evaluate proposals.

(e) Rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors established pursuant to paragraph (a). If fewer than three firms respond to the request for proposal, the committee shall recommend such firms as it deems to be the most highly qualified.

(f) Perform any other actions as required under Florida law.