

Roanoke City Public Schools
Audit Committee Meeting
September 17, 2020 at 11:00 AM
School Administration Building - Media Center

1. Call To Order

The Committee Chair will call the meeting to order.

2. FY21 Audit Plan

Proposed audits for fiscal year ending June 30, 2021

Documents:

[FY21 RCPS AUDIT PLAN.PDF](#)

3. Other Business

The Committee Chair will ask members of the Committee and staff if they have any other business for discussion.

4. Adjournment

The Committee Chair will adjourn the meeting.



ANNUAL AUDIT PLAN FISCAL 2021

As Recommended by the
Roanoke City Public Schools
Audit Committee
September 17, 2020



School Audit Services

Purpose:

To help ensure the school system complies with all financial and other regulatory requirements under federal, state and local statutes and to facilitate effective and efficient operations.

[Board Policy DIB]



Audit Committee

- Works with the Municipal Auditor to Develop the Annual Audit Plan.
- Reviews Engagement Letters, Audit Reports and Other Audit Related Correspondence.
- Regularly Updates the School Board on Audit Activities.



Audit Plan - Risk Assessment

Auditing standards require a risk-based audit plan that prioritizes activity, consistent with the School Division's goals.

- The plan should be based on a documented risk assessment, undertaken at least annually.
- The expectations of senior management, the Board, and other stakeholders should be considered.
- The plan may be revised by the Board when new information or events warrant reconsideration.

FY21 Risk Assessment

Risk Ranking		Cost Center	Risk Score		
FY21	FY20		FY21	FY20	Change
1		12 Accounting [Debt, CIP, Grants, Budget, AP]	3.28	3.00	0.28
2		14 Payroll	3.24	2.92	0.32
3		11 Regular Education	3.20	3.04	0.16
4		5 Maintenance	3.16	3.40	(0.24)
4		7 Special Education	3.16	3.32	(0.16)
5		2 IT Security / Resilience	3.12	3.60	(0.48)
6		13 Early Childhood Education	3.08	2.96	0.12
6		6 Student Services	3.08	3.36	(0.28)
6		12 Transportation	3.08	3.00	0.08
7		4 Data & Analysis	3.04	3.44	(0.40)
7		9 Alternative Education	3.04	3.12	(0.08)
8		10 Gifted Education	3.00	3.08	(0.08)
8		13 Human Resources	3.00	2.96	0.04
8		1 Safety & Security	3.00	3.68	(0.68)
9		14 Operations	2.92	2.92	0.00
10		3 IT Infrastructure	2.84	3.48	(0.64)
11		8 IT Application Support	2.76	3.24	(0.48)
12		14 Food Services	2.68	2.92	(0.24)
12		16 Career & Technical Education	2.68	2.68	0.00
12		8 Guidance & Counseling	2.68	3.24	(0.56)
13		17 Purchasing Services	2.52	2.60	(0.08)
14		12 Athletics	2.48	3.00	(0.52)
15		19 Employee Health Services	2.40	2.24	0.16
15		18 Student Health	2.40	2.40	0.00
16		20 Grounds	2.28	2.20	0.08
17		21 Warehouse [Fixed Assets/Transshipping]	2.20	2.12	0.08



Audit Plan vs Planning Memo

Audit Plan:

- Identifies the Areas / Functions to be Audited
- Approved by the School Board

Planning Memo:

- Identifies Operational, Reporting and Compliance Objectives of an Area or Function
- Narrows Audit Scope & Identifies Key Questions to be Answered Based on Risk Analysis
- Written 2 to 3 Weeks After the Audit Begins



Engagements Proposed for FY21

1. Fleet Management
2. Accounts Payable
3. External Audit Coordination
4. Audit Findings Follow-Up
 - a) Payroll Time & Attendance
 - b) Food Services
 - c) Purchasing
 - d) Fixed Assets & Equipment Inventory



Fleet Management

The Division manages approximately 75 vehicles, as well as limited number of heavy equipment items such as tractors and graders. There are also attachments, such as plows and trailers, that require storage, maintenance and replacement.

Fleet related costs can be substantial, including fuel, maintenance, repairs, insurance, and capital costs. Indirect costs may be incurred when vehicles are unreliable or poorly suited to the work for which they are being used. In some cases, equipment failure could result in worker injury.

When last reviewed in 2011, the Division did not have an adequate facility for properly stocking parts and performing routine maintenance. Most repairs had to be performed by local, independent garages.

Our preliminary objectives will include evaluating total vehicle costs, controls over fuel and repair costs, and overall fleet condition and availability.



Accounts Payable

The Accounts Payable group is responsible for processing all payment requests, including employee reimbursements. This group serves as a key part of the system of internal controls that helps ensure payments are accurate, timely, and supported by appropriate paper work and approvals.

The Division began using a new financial enterprise system (Keystone) on July 1, 2019, which includes accounts payable. Advances in technology have substantially effected how purchases are requested, billed and paid since our last audit of accounts payable in 2012. An audit of accounts payable will help complete our review of procurement processes, which began with Purchasing in 2018.

Our preliminary objectives will include looking at controls over vendor setup and modification, invoice processing and open purchase orders, employee reimbursements, and 1099 reporting.



External Audit Coordination

Purpose:

- To oversee the performance of the external audit firm.
- To assist management when addressing questions and findings related to internal controls over financial reporting and compliance.
- To help coordinate the financial reporting efforts of the City and School Accounting departments.

Audit Findings Follow-Up

Purpose:

To determine if management action plans due to be implemented by June 30, 2020, were completed and effectively addressed the issues identified.

Payroll Time & Attendance:

- Improved scheduling in Operations to reduce overtime
- Improved documentation of basis for edits of time records

Food Services:

- Routine, regular monitoring of contractor costs used for billing
- Require vendor to provide more clear, detailed budget for evaluation
- Formally document purpose, goals and membership of Food Service Committee

Audit Findings Follow-Up

Purchasing:

- Develop Vendor Assistance Disclosure Forms
- Document cost estimates for capital projects
- Document reviews of purchases < \$100,000 in value

Fixed Assets & Equipment Inventory:

- More timely completion of each building's asset inventories
- Improved process for disposing of retired and surplus assets
- Develop annual report on results of asset inventories

Audit Committee:

Laura Rottenborn – Committee Chair

- BA & Juris Doctor – Law
- Managing Assistant United States Attorney
- Member of Audit Committee since 2015
- Appointed Audit Committee Chair in 2020

Mark Cathey – Committee Member

- BA & Juris Doctor – Law
- Partner with Glenn Robinson Cathey Memmer & Skaff
- Appointed to the Audit Committee in 2020

Auditing Staff:

Cari Spichek - Senior Auditor

- BS – Accounting
- Certified Internal Auditor (CIA)

Brian Pendleton – Senior Auditor

- MS – Accounting
- Certified Public Accountant (CPA)

Tasha Burkett – IS Auditor

- BA – Accounting
- Certified Information Systems Auditor (CISA)

Dawn Mullins – Asst Municipal Auditor

- BBA – Accounting
- Certified Public Accountant (CPA)

Drew Harmon – Municipal Auditor

- BS – Accounting
- CIA, CPA

Municipal Auditing Department Contact Information:

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