

Board Special Meeting

Quarterly Audit Meeting

Tuesday, December 5, 2017, 4:30-6:30pm

Board Office Conference Room, John Stanford Center

2445 – 3rd Avenue South, Seattle WA 98134



Minutes

Call to Order

This meeting was called to order at 4:30pm Directors Harris, Burke and Mack were present. Director DeWolf arrived at 4:45pm.

Assistant Superintendent for Business & Finance JoLynn Berge staffed this meeting.

Approval of agenda: Director Burke moved to approve the agenda. Director Mack seconded. This motion passed unanimously.

Approval of meeting minutes Director Burke moved to approve the September 5, 2017 meeting minutes. This minutes were approved.

Internal Audit Update

1. Internal Audit Update

- Hiring Practices Audit Report (Medina)

Director Internal Audit & Ethics Officer Andrew Medina spoke about the current two audits in progress. He summarized the process for internal audit reporting. He explained that internal audit makes recommendations only and does not have the authority to direct staff, design internal controls, or write policies or procedures. Mr. Medina introduced Senior Internal Auditor Amita Mathur who spoke about the results of the hiring practicing audit. Amita summarized the findings and recommendations within the draft report. She explained that the conclusion of the internal audit was based on the results of the audit procedures performed, and that the District appears to have adequate internal controls, policies, and procedures over its hiring practices.

Director Mack asked if the 19 hour limitation is due to not providing health benefits. Assistant Superintendent of Human Resources Clover Codd explained that in the past the District had a Memorandum of Understanding (MOU) with the SEA that outlined who would not work more than 19 hours a week. That MOU did expire, but the 19 hour limitation is also in the Gold book as the standard and as best practice.

Director Harris asked Ms. Codd about the many part time employees that work in different job categories and whether this would change the status of those employees. Ms. Codd explained why this would not cause an employee to be considered a Full Time Employee (FTE) worker.

Director Harris asked if Payroll has different codes they use that can be tracked for employees that are working in different categories. Ms. Mathur explained they are coded with a unique code and that is how the internal auditor office was able to track them. Mr. Medina spoke about a current audit being conducted to focus on employees who are working multiple jobs under different budgets. Ms. Berge explained the new budget development system will be able to give us tracking and position control. She explained central office will be in the budget development system in 2018-19 and schools in 2019-20.

Ms. Codd explained the current limitations of manual data entry into SAP. She spoke about current possible solutions being discussed with SAP.

Director DeWolf asked about the possible midpoint solutions with SAP. Ms. Redick summarized the possible automated solutions.

Directors and Ms. Codd discussed community involvement in hiring processes.

- Construction Management Audit Report (Fry)

Capital Audit Program Manager Kimberly Fry spoke about looking at District compliance with Public Works statute based on three bills that directly affect the District. Ms. Fry also explained and summarized how this audit would focus on the GCCM process. She also spoke about the audit recommend any best practices, specifically when it came to cost. She explained the subcontracting would be a separate audit. She spoke about the five findings. Compliance with New Public Works Statutes, Verification of GCCM Limits on Self-Performed Work, Using Data Analytics for Capital Project Management, GCCM Certification and Construction Manager Equitable Adjustment.

Director Burke asked when we receive a sworn statement for the general contractor does that flow down to the subcontractor. Ms. Fry confirmed it does flow down to the sub-contractor.

Director DeWolf asked how is it decided between GCCM and design build. Ms. Fry explained it comes from RCW's and an in-depth application process to confirm the project meets the criteria.

Ms. Fry explained the approval process for GCCM approval and gave additional background on how long SPS has been using this process.

Audit Reports

1. Audit Response Management (Boulmetis)

Audit Response Manager Annette Boulmetis spoke about her roll and process of open audit items at the District. She summarized the audit tracking sheet.

Director Harris asked if our point of sale system is up and working. Accounting Director Amy Fleming explained it is working, and has gone live at high schools and middle schools. K-8 have also gone live. September was a busy month with questions. And some cash handling that has been taken in the classroom for items such as class fees are issues we are still working on.

2. Instructional Leadership (Tolley, Aramaki)

Associate Superintendent of Teaching and Learning Michael Tolley spoke about the twelve open items and the nine closed items.

Executive Director Sarah Pritchett spoke about open items at West Seattle and Chief Sealth High schools. She explained this allowed her to get recommendations directly from the principal and ASB coordinator.

Director Harris asked if we have web based training. Ms. Berge spoke about how best experience has been to have staff have the ability to have in person training to allow hands on training and allowed staff to ask questions as needed.

Executive Director Kelly Aramaki spoke about closed items at Orca K-8 regarding cash handling and field trips. Ongoing teacher training and revisions of the field trip guidelines procedures have been done. These procedures are available on the website.

3. Human Resources (Codd, Redick)

Assistant Superintendent of Human Resources(HR) Clover Codd spoke about items being negotiated in 609 and cannot be discussed because they are ongoing.

Director of HR Strategy & Operations Shelia Redick spoke about background checks audit, most items have been closed. Facilities offsite staff procedures is a work in progress. Ms. Redick did have a draft of

this and it is currently under review. She summarized the fingerprinting process and how the staff hiring process works within central office.

4. Budget & Finance (Berge)

Assistant Superintendent for Business & Finance JoLynn Berge introduced Account Director Amy Fleming. Ms. Fleming spoke about the open items, in creating an administrative procedure on general requisition process.

Director DeWolf asked any concern with creating this process. Ms. Fleming did not think so, she needed to exam the staffing to confirm if we have the appropriate staff to handle the work if any adjustments need to be made. She is asking to move this item to close to June 2018 and she will come back at that time and give an update.

Adjourned 6:42pm