

Board Special Meeting

Quarterly Audit Meeting

Tuesday, March 6, 2018, 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 Pinkham, DeWolf and Mack were present.

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

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

Approval of meeting minutes Director Mack moved to approve the December 5, 2017 meeting minutes and DeWolf seconded. These minutes were approved.

Internal Audit Update

1. Internal Audit Update (Medina)

Director of Internal Audit & Ethics Officer Andrew Medina spoke about the current audits in process. He summarized the surprise cash count process and identified the new schools being audited. He reviewed the current status of the Special Education audits and discussed the impact of having the assigned auditor resign. He updated the status of the hiring process to fill the open auditor position. Mr. Medina also spoke about the planned payroll audit that would focus on employees with multiple positions. He explained that the District has hired a consultant to address these risks and that the audit would be a duplication of the consultant's work. The payroll engagement will be treated as a non-audit service. Internal Audit will receive updates on the consultant's work so that it can monitor progress and serve in an advisory capacity to help ensure that the risks are mitigated. He indicated that the Assistant Superintendent of Business & Finance concurred with this approach.

Mr. Medina reviewed the process for presenting completed audit reports. He introduced Elisa Kim as the lead auditor on the Rainier Beach High School (RBHS) Audit.

Ms. Kim spoke about the eleven different areas of the audit that the RBHS audit focused on. She reviewed the five areas that had findings and gave a summary of the recommendations.

Director Mack asked if cash deposits were happening on Saturdays. Ms. Kim explained deposits should be made each business day and that if receipts come in on Friday or over the weekend, it should still be made the following Monday. Mr. Medina also clarified that employee time off, holidays and other outstanding circumstances are taken into account to determine whether deposits are made timely.

Director DeWolf asked if we are extra cautious about the RCW and asked to update the language in the audit report to say deposits should be made every business day. Ms. Kim will update that language.

Ms. Kim reviewed the finding on student files and records.

Director DeWolf asked what the student cumulative files contain. Ms. Kim explained they should only have information related to student academic records that is used and maintained on a regular basis.

Items such as outdated test scores, attendance records, and disciplinary items that have met their retention period should be removed.

Director Mack asked if the policy or superintendent procedure specifically calls out what should be kept in the records. Mr. Medina explained the records management department does send notifications out to the schools with updates/ reminders of what should be included in archiving.

Director DeWolf asked where is the 504 form and student homeless documents kept if it does not belong in the academic cumulative file. Ms. Kim explained an electronic 504 form is kept at the school. The homeless forms should be kept separately from the cumulative academic files.

Ms. Kim spoke about the finding for ASB activity regarding event parking on the school's campus. She explained additional training may be required for sponsors/coordinators that plan to hold fundraisers when school is not in-session. Lastly, she spoke about the finding on building security. No documentation of the inventory was found for tracking at the end of the school year such as how many keys were issued, or returned. Lost key fees were also not enforced.

Audit Reports

1. Audit Response Management (Boulmetis)

Audit Response Manager Annette Boulmetis spoke about her role of following up on internal and external audit report findings and any special investigations reported. Ms. Boulmetis explained the completed audit for a grant given to Nathan Hale High School radio station. That audit will be published March 15 and it was a smooth process. She will be following up with corrective action plans on audits for constructive management practice, employee leave and the recommendations that were presented by the internal auditors.

2. Instructional Leadership (Tolley/ Pritchett)

Associate Superintendent for Teaching and Learning Michael Tolley spoke about the Chief Sealth High School audit corrective action plan has been corrected and closed. He explained what role that Executive Director Sarah Pritchett has at the school level to help with closing any open items.

Director Pinkham asked what triggered this audit. Ms. Medina explained this was a standard school audit and they are getting to all the high schools.

3. Capital Projects (Herndon/ Best)

Ms. Berge explained that Associate Superintendent for Facilities Flip Herndon was unable to attend the quarterly audit meeting. Ms. Berge spoke about capital facilities is requesting an extension on items until June 2018. Ms. Boulmetis explained they do not have a corrective action plan in place yet and the original report was made in December. They have one month to draft a procedure and six-month to complete the corrective action.

Directors would like an update from them directly on where they are at with a plan at the next quarterly meeting.

Director Mack asked what are the next steps on audits planned for facilities capital enrollment, specifically policies around enrollment. Internal Auditor Kimberly Fry will meet with Director Mack one on one.

4. Human Resources (Codd/ Redick)

Assistant Superintendent of Human Resources (HR) Clover Codd spoke about the prospective negotiation with labor partners, it will be completed shortly and a update will be given at the next quarterly audit meeting in June. Director of Human Resources Strategy & Operations Shelia Redick spoke about the employee leave time audit. Ms. Redick summarized the recommendations for the employee leave time audits. An update will be given in June once more research has been done by HR on possible systems needed for this. The next item was the removal of employees from the ASOP between SAP system after the employee no longer works for the District. And the audit was done on the old system prior to ASOP. SAP and ASOP have the ability to communicate and the situation has resolved

itself. Ms. Redick spoke about the hiring practices audit. She explained the recommendations that had been given and what steps have been taken based on those recommendations. Ms. Redick spoke about the implementation of a new work system and they are exploring options of how this will work with the new system. Ms. Berge added this was part of the non-infrastructure system improvements the board approved at a previous meeting. Ms. Redick spoke about documentation online retention process in progress. She explained the employee background checks that have been given to satellite team. Director Pinkham asked if this included volunteers. Ms. Redick explained it does not include volunteers, and they are handled by a separate office. Director Mack asked about access to HR systems. Ms. Codd explained that item was closed out at the last meeting. Ms. Redick explained that was around an overlap between HR and Payroll. The implementation of the system process is working with the two departments.

5. Budget & Finance (Berge)

Assistant Superintendent for Business & Finance JoLynn Berge spoke about request for an extension on creating a detailed administrative procedure around general requisitions. A plan is being developed and an update will be given in June.

Director Mack asked if another process is in place to insure leave is inputted. Ms. Berge explained the leave is being checked on each year from here on out. She also gave the additional examples of what steps have been taken to remind employees of this policy. Ms. Boulmetis offered the reason why the leave would not have been originally recorded.

Ms. Berge spoke about the payroll systems improvement process. Payroll is currently working with ASOP (system to request a substitute) to insure the system will work with current employee leave system. This will not be completed by June but she will have an update in June.

Director Pinkham asked when an employee receives a paystub does it show leave. Ms. Berge confirmed the paystub does show time off taken.

Ms. Berge summarized the remaining open items that fall under Business & Finance.

Director DeWolf asked about if leave under two different categories can be acquired. Ms. Berge confirmed that if they are in two bargaining unions yes, they can have multi.

Director Mack asked what is the additional financial costs of the new leave law I-1433. Ms. Berge spoke about initial analysis on cost are underway. This new law affects approximately 500 employees at the District.

Adjourn 5:41pm