

# Board Special Meeting

## Quarterly Audit Meeting

Tuesday, June 5, 2018, 4:30-6:30pm

Board Office Conference Room, John Stanford Center

2445 – 3<sup>rd</sup> 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 Mack moved to approve the agenda. Director DeWolf seconded. This motion passed unanimously.

Approval of meeting minutes Director Mack moved to approve the March 6, 2018 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 audits in progress and the completed audits for Cleveland High School and Center School.

- Cleveland High School Audit (Kim)

Lead Auditor Elisa Kim spoke about the two findings for Cleveland. The first finding was regarding student records. She summarized what items were included in the finding. She explained the recommendations based on the findings.

Director Mack asked if a process is in place for old records to be removed. Ms. Kim explained schools are required to complete the annual record and retention and destruction log which is provided by the Records and Archives department. No scheduled time is set but it is required annually.

Director DeWolf asked if they have best practices on what to keep in the file. Ms. Kim explained as the student goes from school to school the file is growing and schools often are only checking for required documents. But files are not necessarily being reviewed to check for outdated or unnecessary items that should be removed. Mr. Medina added that the recommendations have been given to the schools.

Director Pinkham asked about the types of restraining orders that could be in files. Mr. Medina explained it is a public document and helpful for the school to have available. But is only needed when it is active.

Second finding was for building security, specifically related to the controls over keys.

Director Mack asked if the District has a standard form for keys. Ms. Kim confirmed a standard form for each school exists, and the custodian at the school keeps these forms.

Director Pinkham asked if the schools have master keys tracking. Mr. Medina explained they do have a master key and much tighter controls are in place for them.

- Center School Audit (Kim)

Ms. Kim reviewed the two findings for Center School. The first finding is related to cash handling and deposits. The second finding is related to student records.

Director DeWolf asked if within the files is there a way to add a note on what to keep. Mr. Medina explained that would involve a deeper scope. All findings were agreed to be resolved.

Director Pinkham noted that schools often ask for many forms to be completed by families each year, and whether this was always necessary, such as the 506 forms.

### **Audit Reports**

#### 1. Audit Response Management (Boulmetis)

Audit Response Manager Annette Boulmetis spoke about the current open and recently closed items on the tracking work sheet.

#### 2. Curriculum & Instruction (Tolley)

Associate Superintendent for Teaching and Learning Michael Tolley spoke about seventeen items listed for Rainier Beach High School. He summarized some of these items and explained the Principal is requesting an extension to January 2019 for these recommendations.

DeWolf asked if Mr. Tolley would give this recommendation to the Principal. Mr. Tolley explained the Executive Director of the school, Sarah Pritchett, works directly with the schools and makes suggestions based on direct hands on feedback. The Principal can have some of these items completed by September but would not have all seventeen done. An update can be brought back in September with a priority of what items have been completed by September.

#### 3. Capital Projects (Herndon)

Director of Capital Projects & Planning Richard Best spoke about four open items listed for capital project. One item was moved to Business and finance due to it being a procurement item. He summarized the additional three items.

Director Mack asked if we are willing to have district resources such as employee time to work with auditor on findings. Mr. Best confirmed it would be Senior Project Managers that would be working with internal and external auditors as needed.

Director Mack asked if auditors are auditing Seattle Public Schools (SPS) or the contractor. Mr. Best explained it will be with SPS. Director Mack would like this reviewed by SPS legal department for additional language that might be added to future contracts.

#### 4. Human Resources (Codd/ Redick)

Assistant Superintendent of Human Resources (HR) Clover Codd spoke about two closed items that will be brought back to committee in 2019. Director of Human Resources Strategy & Operations Shelia Redick spoke about improving guidance of employee leave time in systems. Ms. Redick gave examples of why comp time would not be recorded and Ms. Codd added it is in the contract to allow this.

Director Pinkham asked if within the time recording system the option of “other” was available. Ms. Codd explained no option for other was available.

Ms. Redick spoke about document retention procedures. She explained with the new system that will be in place in March of 2019 this will no longer be a problem.

Director DeWolf asked if a demo of this new system will be offered to Directors. Ms. Redick confirmed a demo can be given to them.

#### 5. Budget & Finance (Berge)

Accounting Director Amy Fleming spoke about two closed items, Ms. Fleming has the administrative purchase order procedures are completed and training for staff at the schools is coming up this summer.

Ms. Fleming spoke about external catering services and training staff on when they are able to use this service. She explained the new coding process training that also began this year.

Assistant Superintendent for Business & Finance JoLynn Berge spoke about how this coding change is a million dollar change for SPS.

Director Mack spoke about understanding what a huge costly change this is for all districts.

Director Pinkham asked if this is new codes, old codes or codes that have been updated. Ms. Berge explained how previously a one digit code would be used now it's a four digit code. Ms. Fleming gave additional examples of how the new process adds a layer of complexity.

**Adjourn 5:45pm**