

Board Special Meeting

Quarterly Audit Meeting

Tuesday, September 4, 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 4:34pm Directors Pinkham, Harris and Mack were present.

Chief Financial Officer JoLynn Berge staffed this meeting.

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

Approval of meeting minutes Director Mack moved to approve the June 5, 2018 meeting minutes and Pinkham seconded. These minutes were approved.

Internal Audit Update

1. Internal Audit Update (Medina)

Director of Internal Audit & Ethics Officer Andrew Medina spoke about the three completed audits.

- Franklin High School Audit (Kim)

Lead Auditor Elisa Kim spoke about how both school audits, Franklin and Hazel Wolf were requested by the Accounting Department due to concerns about cash handling and receipting activity. She summarized how the new point-of-sale system, School Pay should be used and how Franklin was improperly using the system.

Director Harris asked if other schools will be looked at that are not using School Pay correctly. Mr. Medina explained other schools have been audited, however, not all schools had School Pay fully implemented at the time of the audit. Ms. Berge explained the training process that is done by the accounting department and follow ups done with each school that are now on the School Pay program. Ms. Kim spoke about lost and found money that are incorrectly deposited into a non-profit account rather than into the School's ASB bank account. Ms. Kim spoke about how change is being made for personal convenience at the School, and noted that this is not an allowable practice, nor is cashing checks. The findings are being resolved by the principal with the corrective action plan.

Director Pinkham asked what will be done with change funds. Ms. Kim explained the requirements in the District's ASB change fund policy and noted the School has already established the ASB imprest account in order to properly set-up the change fund.

- Hazel Wolf K-8 School Audit (Kim)

Ms. Kim spoke about the two findings at Hazel Wolf. She explained the school was not using the School Pay system properly. They also had a problem with user id being shared with multiple staff.

Ms. Kim also discussed concerns about funds that were not receipted properly.

Director Harris asked will the full corrective action plan be given to them later since it was not attached to the report they were given. Mr. Medina explained that the management response included in the report is a quick turnaround, and that the detailed corrective action plan should be distributed to the Committee 30 days after the report. The school still has time to complete their corrective action plan.

- Central Administration Support of Schools Audit (Kim)

Ms. Kim explained how the report includes information that was gathered as part of the school audits that were performed over the 2017-18 school year. One finding was related to the School Pay system not being used correctly. The next finding was around online credits, the District's grading process is not clearly defined. She explained how the final letter grades are currently being assigned at Schools, which varies.

Director Mack asked if we know whether schools are grading the same across the District for online classes. Mr. Medina explained that the audit is questioning who the official teacher of record should be for online classes.

Ms. Kim spoke about the third finding regarding substitute reimbursements. She gave background information about how substitute reimbursements should work at schools. Ms. Kim noted there are some concerns with the guidance given to schools by the District. She spoke about the recommendations for this finding. She noted the District should monitor reimbursements and have clearly defined instructions about the reimbursements process.

Ms. Kim spoke about the fourth finding, related to student records. She noted concerns with the District's guidance and resources related to immunizations and waivers. She recommended more training and clear guidance related to these items.

She spoke about building security at Rainier Beach and Cleveland. The recommendation was clear guidance for custodial engineers and updating the policy to clearly define terms used. The last finding is regarding sale of foods on campus, outside of those provided by nutrition services. She explained that only approved items can be sold during the school day. The recommendation is to provide easy access to the approved snack and vending list, and to inform principals of the nutrition standards.

Director Mack asked if a bake sale can happen after school. Ms. Kim confirmed a bake sale can be done after school.

2. Annual Risk Assessment and Audit Plan (Medina)

Director of Internal Audit & Ethics Officer Andrew Medina spoke about requesting approval on the upcoming audit plan. He explained the format and background information hasn't changed from the previous years. He explained what has changed and highlighted the new Superintendent entry plan as a way to promote internal audit's value to the District. He explained the audits that the internal audit department plans on doing this year and stated that the plan can be changed if new risks are identified. Mr. Medina gave a summary of the school emergency preparedness audit, the stipend audit, and the District bank accounts audit that are planned.

Audit Response

1. Audit Response Management (Boulmetis)

Audit Response Manager Annette Boulmetis spoke about how over the summer she has been working on cleaning up the employee leave audit. She reviewed the progress made and a system that is now in place to catch inconsistencies between the two systems. Ms. Berge explained eventually the two systems will be "speaking" together within the 2019-20 year.

Director Pinkham asked how far back did the audit go. Ms. Boulmetis explained it was back to the 2017-18 school year.

2. Curriculum & Instruction (Tolley/Pritchett/ Halfaker/Whitworth)

Chief Academic Officer Michael Tolley spoke about twenty four items open and seventeen of those being for Rainier Beach (RB) High School. Director of Schools Sarah Pritchett explained after speaking with the RB principal support has been given and a plan of action has been made.

Director Harris asked that personal issues at the schools be addressed within the audit. Ms. Pritchett is working with the Principal on these issues.

Ms. Pritchett explained a majority of these issues are resolved and have an action plan in place. Director Harris asked when will this plan be checked at the school. Ms. Berge explained she will be speaking with Ms. Boulmetis and Ms. Pritchett on follow up for the future.

3. Capital Projects (Best)

No one from capital projects came to the meeting to speak about open items.

4. Human Resources (Codd/ Redick)

Director of Human Resources (HR) Strategy & Operations Shelia Redick spoke about the three open items for Human Resources. She explained a lot of work is being done for the applicant tracking system. She spoke about what success have been accomplished and what additional items will be worked on within the next year.

Ms. Redick explained the current capacity of NeoGov and what HR has added for easier use and more accessibility for applicants. They did request an extension in September to have open items completed in March, which was accepted.

5. Budget & Finance (Berge)

Chief Financial Officer JoLynn Berge spoke about five open items. She explained the progress that has been made on policy 6240, which will eventually be presented at the Audit and Finance committee in 2019. She explained a draft resolution is being edited by legal. She requested for two extensions for the fixed assets library services inventory for June of 2019. The additional items have been closed.

Adjourned at 6:55pm