

Board Special Meeting
Work Session: State Auditor's Office Exit Conference
May 20, 2020, 3:00 – 4:00 p.m.
Meeting held remotely



Minutes

Call to Order

Director Hampson called the meeting to order at 3:03 p.m. Directors DeWolf, Rivera-Smith, Mack participated by Microsoft Teams or by phone.

Director Hersey and Rankin joined the meeting at 3:30 p.m.

Work Session: State Auditor's Office Exit Conference

This work session was staffed by JoLynn Berge, Superintendent Denise Juneau and State Auditor's Joe Simmons, Jonathan Smith, Sherry Chang.

State Audit Manager Joe Simmons presented the audit for the Accountability audit and for the financial statement and federal grant compliance audits are in draft and will be finalized after the meeting.

Auditor Jonathan Smith gave some audit highlights by thanking Seattle School District Staff for being available for questions and follow up. Mr. Smith explained no major issues in the audit and no findings were issued. The items that were audited were Professional Learning, Electronic Funds Transfers, Self-Insurance, Local Revenue Sub-Fund, School support organizations, Procurement, Basic Enrollment and Alternative Learning Experience.

Director Hampson asked how audits for high risk areas are selected. Mr. Smith explained that accountability audits planning procedures, new policies and prior audit issues are considered. He added it is a risk-based approach and this year there happened to be more than usual.

Director Mack asked what the exit items in the report. Ms. Smith explained that is not typical for an audit report to include exit comments. Any major finding would be listed in detail. A summary of what is standard in the reports was discussed.

Mr. Smith summarized the schedule of prior findings. The finding has now been partial corrected, five of the six areas have been corrected. He explained the fundraising hasn't been fully corrected but is being worked on to be fully compliant. Mr. Simmons explained the prior audit finding in 2016-17 Middle College has now been fully corrected and no additional follow up will need to be done.

Mr. Smith spoke about the financial statement and single audit report summary. The financial statement had an unmodified opinion in accordance to the F196 report. No deficiencies and no material weakness and no issues of non-compliance were found. An unmodified opinion will be issued, and no finding will be issued. Title I, Career and Tech EdD, and Head Start were audited for the single audit. No findings were reported. Ms. Smith explained internal control over financial reporting did not identify any deficiencies. Independent internal control over compliance District complied, in all material respects,

with the types of compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended August 31, 2019. He explained internal control over compliance had no findings.

Director Hampson asked for history of adding the current State of Emergency with COVID 19. Mr. Smith explained it is noted as a subsequent event that could have a role in the District finances coming up.

Mr. Smith explained some minor issues that are labeled as exit items. They have been presented to District Managers. He spoke about how there were no uncorrected misstatements in the audited financial statements and no material misstatements in the financial statements corrected by management during the audit.

The Assistant Audit Manager Sherry Chang explained audit reports are published on the State Auditor's Office (SAO) website and distributed via e-mail in an electronic file. SAO also offer a subscription service that allows notification by email when audit reports are released or posted to the website. She explained the audit cost are similar to what was given in the Entrance Conference in the fall. SAO will be coming back in December for the next audit.

Director Hampson asked about local government support teams available to provide training to board members about school financials. Ms. Chang explained it was a good starting point and you can submit a question and they can provide more information.

Adjourn

This meeting adjourned at 3:57 p.m.

This meeting was held remotely per the Governor's [Proclamation 20-28](#), prohibiting public agencies from conducting meetings subject to the Open Public Meetings Act in-person to curtail the spread of COVID-19, and consistent with [School Board Resolution 2019/20-29](#). Public access was provided remotely through Microsoft Teams and teleconference.