

Board Special Meeting

Quarterly Audit Meeting

Tuesday, December 1, 2020, 7:30-9:30 am

Meeting to be held remotely



Minutes

Call to Order

This meeting was called to order at 7:30 am Director Hampson and Director Harris, and Director Rivera-Smith were in attendance.

Chief Financial Officer JoLynn Berge staffed this meeting.

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

Approval of meeting minutes: Director Harris moved to approve the September 1, 2020 meeting minutes and Director Hampson seconded. These minutes were approved unanimously.

Internal Audit Update

Internal Audit Update (Medina)

Director of Internal Audit Andrew Medina gave an update on the Moss Adams implementation plan. He is working on a contract with Moss Adams to update the policy and procedure to expand the scope of Internal Audit, adopt a hybrid model to allow for larger performance audits, and require outside audits and reviews to be routed through the Audit & Finance Committee. The contract will also include updating departmental procedures under IIA standards, strengthening the corrective action process, and ensuring the Internal Audit Racial Equity Tool aligns with best practices. The contract has begun to be routed and once signed Mr. Medina will focus on the recommendation related to enterprise risk management.

Directors and staff discussed what additional tasks would be added once the audit process is strengthened.

Mr. Medina summarized three follow-up audits related to segregation of duties. Two of the follow-up audits are still in progress, and one completed audit is being presented today. The results of the segregation of duties audit related to procurement practices is clean. The report does not identify any new findings and no management response or further tracking is required.

Mr. Medina provided an Ethics Office update noting that Moss Adams recommended that a high-level summary of complaints and contacts be provided to the Committee. Mr. Medina provided a verbal update for ethics contacts received from September 1st to November 1st. Mr. Medina reviewed the types of contacts received, and the source and status of complaints.

Directors would prefer a written report for the ethics update going forward.

Directors and staff discussed additional ways to add clarity for the process to report concerns, and clarifying what is covered by the Ethics Office.

Audit Response

1. Audit Response (Boulmetis)

Audit Response Manager Annette Boulmetis spoke about the quarterly audit tracking update.

2. Capital Projects (Best)

Director of Capital Projects & Planning Richard Best spoke about the audit done on Lincoln High School (HS) and Danial Bagley Elementary school. The audits were conducted in the fall of 2019 and Lincoln HS construction activities were completed in the summer of 2019 and Danial Bagley was completed in the summer of 2020. Mr. Best confirmed recommendations have been sent to the Internal auditor and he is waiting for feedback. Mr. Best reviewed the additional open items on the internal audit reports. Directors asked if this would be at the BEX oversight committee and Mr. Best confirmed they did participate and Mr. Best will be provided the report.

Chief Human Resources Officer Clover Codd spoke about how the item previously came to the Quarterly Audit Committee in 2012. The audit response at that time was to put into place a new evaluation process. Each year annual evaluations need to be completed by February, which Human Resources (HR) are then required to give the report to the union. Chief Codd is requesting additional guidance because the original risk has possibly been taken care of by updated bargaining.

Executive Director of HR Strategy & Operations Shelia Redick spoke about the audit for the certificated staff in strengthening internal controls for the stipend process. She explained the classification and compensation team is reviewing all errors found by the auditor and the work is ongoing currently. Ms. Redick spoke about the HR desk manual being updated and ongoing edits always being made as needed. Items 21 to 24 are all items that would need to be bargained in the next round in 2022. Directors and staff discussed possible delays that could occur with these items due to bargaining. Human Resources items 16-17 are requested to be closed. Directors agreed they could be closed. Ms. Boulmetis will follow up with Mr. Best to see if his items can be closed.

Adjourn 8:50 am

This meeting was held remotely per the Governor's proclamations prohibiting public agencies from conducting meetings subject to the Open Public Meetings Act in-person to curtail the spread of COVID-19. Public access was provided remotely online and by teleconference.