

Board Special Meeting

Quarterly Audit Meeting

Tuesday, September 3, 2019, 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 4:30 pm Directors Pinkham, Mack and Geary were present. Director Harris arrived at 4:40pm.

Chief Financial Officer JoLynn Berge staffed this meeting.

Approval of agenda: Directors moved to approve the agenda. This motion passed unanimously.

Approval of meeting minutes: Director Geary moved to approve the June 4, 2019 meeting minutes and Director Mack seconded. These minutes were approved unanimously.

Internal Audit Update

1. Internal Audit Update (Medina)

- Annual Risk Assessment and Audit Plan

Director of Internal Audit & Ethics Officer Andrew Medina spoke about three audits that are in progress; the stipends audit, the alternative process for mechanical and electrical sub-contractor's capital audit, and the special education - sustainability of the corrective action plan audit.

Mr. Medina spoke about the timeline for the SPED audit and indicated that he would discuss it with the Chair of the A&F Committee at their next one on one meeting. Directors reiterated the questions they asked at the prior A&F quarterly meeting and requested an update on the audit prior to the December quarterly meeting.

Mr. Medina spoke about the annual risk assessment and audit plan for the upcoming year. He explained the plan can be updated at any point during the year by the A&F Committee. He explained that he recently received feedback on the proposed plan from Superintendent Juneau and the small cabinet team. Since this feedback was only received last week, Mr. Medina will schedule some additional follow-up meetings. Mr. Medina is asking for approval of the plan with the understanding that it may change based on the additional feedback. He will bring an updated plan back to the Committee in December if necessary.

Director Geary asked if racial equity advancement audits were added to the plan, would it move other items off the plan. Mr. Medina stated yes, adding any audits to the plan would cause some audits to move off the plan. Directors discussed the benefits of having facility rentals remain on the plan to be audited.

Director Mack asked which items on the plan would move forward. Mr. Medina explained that they would continue the stipends audits that was in progress and would begin the school audits and the contract audits.

Audit Response

1. Audit Response (Berge)

Chief Financial Officer JoLynn Berge spoke about updates to the audit tracking sheet. The Chief's names have now been added and numbers have been consecutively numbers to eliminate any confusion on items.

2. Curriculum & Instruction (Jessee/Eberts/ Pritchett)

Director of Schools Heather Eberts spoke about internal and external audits on Thornton Creek. Ms. Eberts explained the new Principal has taken steps and all these items can be closed. She stated the Principal has put the decision-making matrix in place, updated the bylaws, updated the handbook and has had fiscal staff retrained.

Director Mack asked if the Principal made bi-laws for a non-district organization. Ms. Eberts explained he wrote the bi-laws that the co-governance group will go through together in October with the site council.

Director Mack asked is the site council register as a legal entity like all other Parent Teacher Association (PTA) should be. Ms. Eberts stated she believed they are.

Director Harris confirmed these items will remain on the audit response list and possibly closed at the December quarterly meeting.

Directors discussed the pros and cons of regulating guidelines on school PTA, PTO and site councils. Ms. Berge will have Legal Counsel Ronald Boy follow up at the October Audit & Finance Committee and find out if they are required to be registered as a 501c(3).

Director of Schools Sarah Pritchett spoke about All student waiver request forms at Seattle World School being processed and recorded.

Director Harris asked if the field trip folder is electronic or a paper folder with forms. Ms. Pritchett explained its is electronic copies for overnight trips and for day trips it is paper stored in a secure location.

Ms. Pritchett spoke about how they plan on developing a formal partnership agreement with the Refugee Women's Alliance (ReWA). Ms. Berge will ask Mr. Boy to also present policy on Memorandum of Understanding agreements when he attends the October meeting.

Ms. Pritchett is requesting all open audits items be closed.

Ms. Berge read an updated from Chief of Schools & Continuous Improvement Wyeth Jessee's open item the District did not have adequate internal controls to comply with graduation rate reporting requirements is in progress and will have more information in December when it is due to be closed.

3. Capital Projects (Best)

Director of Capital Projects & Planning Richard Best spoke about open item General Construction Management (GCCM) Certification: Recommend the district apply for certification to use GCCM contracting procedures. The BEX oversight committee have expressed the desire to want to have an outside organization look at the Seattle Public Schools (SPS) projects. Mr. Best will do a cost benefit analysis to look at benefits that are found.

Director Mack asked if we should make the District an authorizer of the GCCM. Mr. Best explained the District would still need an internal body that would authorize the use of the GCCM projects.

Directors Geary stated she does like the idea of an outside organization reviewing projects.

Directors discussed and decided to keep the same as it is currently and we do not need to become outside certifiers. Items are closed and no follow up needed.

4. Special Ed (Mills Campbell)

Director of Special Education Patricia Campbell spoke about how the SPS has amended the contract with vendor of the writeback process to identify the data extract file as a contract deliverable, expectation for

timeliness of data and recourse when data is not delivered timely by vendor. Ms. Campbell spoke about if the transfer file time is late more than three times within a year they will give us two hours of custom developing work. Ms. Campbell recommended the item be closed and the directors agreed to close it.

5. Human Resources (Redick)

Chief of Human Resources Clover Codd requested an extension to December 2019 to clarify how schools will utilize funds generated by substitute unavailability and how that determination should be documented. She explained it was due to no change in the document was needed but a better explanation of the intent of the language and put in place a process of how to handle sub reimbursements. This fall a plan will be communicated and implemented for SEA and SPS will create a sub-committee as part of the next bargain to provide specific guidance to schools.

6. Budget & Finance (Fleming)

Accounting Director Amy Fleming spoke about the fixed assets system is still in progress and the go live date is in January and she requested the close date be moved to March.

Director Mack asked how that effects the one to one computer program. Ms. Fleming explained it will be integrated in the same system SPS uses for library material management.

Ms. Fleming spoke about the work being done with the Department of Technology about Accounting and for fiber sharing project. She explained the process of how invoicing and credits will be monitored and request the City of Seattle issue a check back within 30 days. Ms. Fleming explained what amounts from a refund received in August went toward the general fund and what went towards the capital funds.

Director Mack asked why did the entire refund not go into capital funds. Ms. Fleming explained the Parks Department buy in to the consortium did not have to do with the direct projects on some of the new schools, at least that is her current understanding. Ms. Berge explained when Ms. Fleming looked back to see what was causing the credit, it was a buy in credit that is paid out of the general fund, therefore would be returned to the general fund.

Director Mack disagrees on funds being returned to the general funds. Ms. Berge will have Capital Accounting Manager Melissa Coan follow up with Director Mack. Ms. Fleming explained one credit has been issued within the past two years.

Director Pinkham asked if SPS has a previous example of when the funds are decided where they go. Ms. Berge explained yes decisions and transaction are done daily. Ms. Berge will have Ms. Coan follow up with a Friday memo item to the board.

Adjourn 6:10pm