

The School Board of Broward County, Florida
AUDIT COMMITTEE

MINUTES OF NOMINATING SUB-COMMITTEE FOR CHAIR AND VICE CHAIR

February 1, 2018

Mr. Robert Vignola, Deputy General Counsel, called the Nominating Sub-committee of the Audit Committee to Order at 12:00 P.M. at the Kathleen C. Wright Building in the 1st Floor Board Room.

Audit Committee, Nominating Sub-committee Members present:

Mr. Brendan Aloysius Barry, Esq.
Mr. Andrew Medvin, CPA

Staff present:

Mr. Robert Vignola, Deputy General Counsel
Ms. Ann Conway, Task-Assigned Chief Auditor

Mr. Vignola stated, “Today we are here to consider candidates for the Chair and Vice Chair of the Audit Committee. Mary Fertig and Henry Mack were the Chair and Vice Chair for 2015-16 and 2016-17. For two years they held, respectively, the Chair and Vice Chair positions. There is a Board Policy, that was brought to the attention of the Committee at one of the meetings, which states that you cannot serve in either of the positions for more than two consecutive years. As a result, the Committee’s election* of Chair and Vice Chair was problematic with regards to Board Policy 1.7. When the Sub-committee meets today, in looking at whom you can put forward as candidates, it would be simplest to identify the folks who are precluded by policy from consideration. Because Ms. Fertig served as Chair for the last two years, she is ineligible to be considered for either Chair or Vice Chair for a period of two years. She is off your short list today. Because Dr. Mack served as Vice Chair for the past two years, he is ineligible for you to consider today for the position of Vice Chair. However, that does not make him ineligible for Chair. If you wish to put him forward as a candidate for Chair, the Policy does not preclude that. Having identified those folks who have limitations on their ability to serve, that leaves for your consideration the remainder of the committee. Again, Dr. Mack is only precluded from consideration for Vice Chair.”

*(Note: Referring to the election held at the October 19, 2017 Audit Committee meeting.)

Mr. Barry stated, “I think everyone on the Committee is tremendous. There some legal exclusions, but other than those legal things we are talking about, everyone is qualified and would be a great Chair and Vice Chair. I find it hard to narrow it down, but we have to.”

After discussion, Mr. Medvin and Mr. Barry agreed to present Mr. Moses Barnes to the Audit Committee as candidate for Chair, and Mr. Robert Mayersohn as candidate for Vice Chair.

Mr. Medvin requested guidance concerning the possibility that the candidates might not accept the nominations.

Mr. Vignola stated, “What I envision would happen is that the Nominating Sub-committee would give a very brief report that they met and they bring forward the following slate of candidates, and if one of those candidates indicates the inability to serve, then there would be a motion from the floor for another nominee.”

Mr. Medvin stated, “I think the floor has the right to do it anyway.”

Mr. Vignola replied “Yes.”

Mr. Medvin asked, “Who would conduct the actual election during the meeting?”

Mr. Vignola stated, “I have experience advising the Superintendent’s Insurance Advisory Committee, constituted of a somewhat similar number of people. They have a Chair and Vice Chair. When it comes time to elect the new Chair each year, the liaison to the committee runs the meeting until that Chair is elected. This is somewhat similar to the School Board’s Organizational Meeting, where the Superintendent ends up presiding until the Chair is elected. I would suggest in this case, Ms. Conway would take us through the initial things on the agenda, which would be the approval of the minutes and then the issues of elections. Then once the elections are settled, the new Chair would take over the duties.”

Mr. Barry replied “Makes sense to me”

Mr. Medvin asked, “So then you would conduct the beginning of the meeting, I guess?”

Ms. Conway replied, “Until the elections are over.”

Mr. Vignola stated, “Something I have observed, attending the meetings of another committee, is there are occasions when the meeting time will come and the Chair and Vice Chair have yet to arrive or are unavailable, but there is a quorum. In those instances, we’ve been fine simply having those assembled elect a Chair pro tem just for the meeting, to get business done. The same thing would happen here.”

Ms. Conway stated, “Mr. Mayersohn is not going to be here today. He is a Parkland City Commissioner now and he has other meetings that may conflict sometimes.”

Mr. Vignola replied, “That would seem to indicate you will not have one of them declining the nomination.”

Mr. Vignola then stated, “If you were to have one of the nominees later decline, we would simply repeat the process we are doing today to fill the seat.”

Mr. Medvin asked, “Is the vote open ballot or secret ballot?”

Mr. Vignola stated, “There is no secret ballot. It’s open voting. What could happen, for example, is someone could move the slate of candidates from the Nominating Sub-committee and they are seconded. Then it could be approved unanimously without the need to have an individual voice vote.”

Mr. Medvin stated, “If it doesn’t carry, then at the next meeting, the Audit Committee by itself could do it.”

Mr. Barry stated “I make a motion for our Sub-committee to nominate Moses Barnes as Chair and Bob Mayersohn as Vice Chair.”

Mr. Medvin seconded the motion.

Motion carried.

Mr. Barry motioned to adjourn, and Mr. Medvin seconded.

Motion carried.

Meeting Adjourned at 12:15 P.M.

The School Board of Broward County, Florida
AUDIT COMMITTEE

MINUTES OF AUDIT COMMITTEE MEETING

February 1, 2018

Ms. Ann Conway, Task-Assigned Chief Auditor, called the Audit Committee meeting to Order at 12:30 P.M. at the Kathleen C. Wright Building in the 1st Floor Board Room. Members and Staff were introduced.

Members Present:

Mr. Moses Barnes
Mr. Brendan Aloysius Barry, Esq.
Ms. Mary Fertig
Mr. Kirk Frohme
Mr. John Herbst
Dr. Nathalie Lynch-Walsh
Mr. Andrew Medvin
Ms. Phyllis Shaw
Mr. Daniel Traeger

Staff Present:

Mr. Robert Runcie, Superintendent of Schools
Mr. Robert Vignola, Deputy General Counsel
Dr. Valerie Wanza, Chief Officer, Office of School Performance and Accountability
Ms. Luwando Wright-Hines, Director, Title I, Migrant, and Special Programs
Ms. Gail Adams, Clinical Nursing Supervisor, Coordinated Student Health Services
Ms. Erum Motiwala, Director, Accounting and Financial Reporting
Mr. William Wilson, Instructional Facilitator, CTACE
Mr. Jarrett Torrella, Micro Computer Tech Specialist, CTACE
Ms. Ann Conway, Task-Assigned Chief Auditor, Office of the Chief Auditor (OCA)
Ms. Ali Arcese, Manager, Property and Inventory Audits, OCA
Ms. Megan Gonzalez, Confidential Clerk Specialist B, OCA
Mr. Jonathan Tolentino, Confidential Clerk Specialist C, OCA

Guests Present:

Mr. Dan O'Keefe, Moore Stephens Lovelace, P.A.
Mr. Shaun Davis, S. Davis & Associates, P.A.
Mr. Kevin Adderley, S. Davis & Associates, P.A.
Ms. Tanya Davis, S. Davis & Associates, P.A.

Old Business

Minutes

A motion was made to approve the minutes of the November 16, 2017 Audit Committee meeting. Motion carried.

New Business

Report of Nominating Sub-committee, and Election of Chair and Vice Chair

Ms. Conway stated, “The first order of new business is the report of the Nominating Sub-committee, and the election of a new Audit Committee Chair and Vice Chair. I would like to ask Mr. Vignola to start with an explanation of the background on this.”

Mr. Vignola stated, “The committee had previously elected a Chair and Vice Chair. The issue was raised, to the attention of the Committee, that the persons who were elected may be precluded by existing board policy from continuing to serve in the positions they had been holding. Specifically, Policy 1.7 provides that an officer may only serve as Chair or Vice Chair for no more than two consecutive years. It also provides that once an individual serving as Chair has served for two consecutive years, that person is ineligible to be considered for either Chair or Vice Chair for a period of two years. Earlier, you had elected to continue with your existing Chair and Vice Chair, although both had served in those positions for two years. As a result, your prior Chair, Ms. Fertig, is ineligible for consideration under Policy 1.7 to serve as Chair or Vice Chair. When you consider officers today, as I understand it, Dr. Mack has served as Vice Chair for the past two years. Under Policy 1.7, he cannot be considered for Vice Chair, but he would be eligible to be considered for Chair, if the Committee wished to put him forward for that. These parameters were shared before this meeting at the earlier, ‘noticed’ meeting of the Nominating Sub-Committee. The Sub-committee met, and I believe they are prepared to give a report to this Committee as a whole.”

Ms. Conway stated, “Mr. Medvin, would you like to give your report?”

Mr. Medvin stated, “Mr. Barry and I had our official, ‘noticed’ meeting at 12 o’clock today and we came up with a slate of candidates which we are about to announce. I apologize in advance that we did not have a chance to talk to the individuals we picked. They may not want the job. I hope that they will take it. Our slate is, for Chair, Mr. Moses Barnes, and for Vice Chair, Mr. Bob Mayersohn. I believe the Committee can also offer additional nominations, and then we vote.”

Ms. Conway asked, “They nominated Mr. Barnes as Chair and Mr. Mayersohn as Vice Chair. Are there any nominations from the floor?”

Mr. Vignola stated, “What one might want to consider is whether someone on the Committee wishes to move the slate of candidates for approval, and then see if you get a second on that; or if you are unable to get a motion and second, then you would open the floor for additional candidates.”

Mr. Traeger stated, “I make a motion that we accept and approve the candidates who have been nominated.”

Mr. Fromhe replied, “Second.”

Mr. Barry asked, “Would there be comments ?”

Mr. Vignola stated, “Yes, you can have discussion.”

Mr. Barry asked, “Mr. Barnes, would you be willing to serve as our Chair? Our nominating committee unanimously selected you as our Chair, and we would be honored to have you as our Chair. I totally support this, but I would like to hear it from you.”

Mr. Barnes stated, “Because your consent was unanimous, I accept the responsibility.”

Dr. Lynch-Walsh stated, “I have a question. We know that Mr. Barnes has accepted, but does it present a problem when you elect someone, if you don’t know if they accept the nomination -- as is the case with Mr. Mayersohn ?”

Mr. Vignola stated, “If Mr. Mayersohn were to subsequently decline the nomination and the election, then we would have, at your next meeting, an opportunity to fill in the vacancy that would exist.”

Ms. Conway stated, “We have a motion to accept the slate of Mr. Barnes as Chair and Mr. Mayersohn as Vice Chair. All in favor, say ‘Aye’.”

The motion passed unanimously.

Ms. Conway asked, “Any opposed ?”

None were opposed.

Ms. Conway stated, “You have unanimously approved the slate, so Mr. Barnes, would you like to take your seat?”

Mr. Barnes replied, “First, to the Audit Committee, I thank you for putting your trust in me, and I think collectively, together, we will be able to do this. Looking at our agenda today, is there a motion to add any items to the printed agenda? Hearing none, I motion to proceed with the agenda as presented. All in favor of the motion say ‘Aye’.”

The motion passed unanimously.

Mr. Barnes stated, “Opposers have the same right.”

None were opposed.

Mr. Barnes stated, “The agenda is approved.”

Internal Audit Report – Audit of the Internal Funds of Selected Schools

Ms. Conway stated, “This report includes Internal Funds audit reports for ten schools. There were no audit exceptions noted. I would like to commend all these schools for their good bookkeeping.”

Mr. Barnes asked, “Any additional comments from the Audit Committee members?”

Ms. Fertig stated, “I move to transmit.”

Mr. Herbst stated, “I second.”

Mr. Barnes stated, “It has been properly moved and seconded that we transmit the Internal Audit Report-Audit of the Internal Funds of Selected Schools. Are there questions? All in favor of the motion, say ‘Aye’. Opposers have the same right.”

Motion carried.

Internal Audit Report - Property and Inventory Audits of Selected Locations

Ms. Arcese stated, “This report contains audit reports for twenty-seven locations where we conducted Property and Inventory audits. Twenty-four complied with all prescribed policies and procedures. Three locations had audit exceptions.”

Mr. Barnes asked, “Questions and comments from the Audit Committee?”

Dr. Lynch-Walsh stated “I have a question regarding the management responses, because I have never seen this before, where it says ‘unresolved’ or ‘none provided’.”

Ms. Arcese stated, “As part of the audit process, we give the schools thirty days after the audits are completed to locate any items that may not have been found in the initial audit. At the end of the thirty days, the Principal or the Director of the specific location makes a response to the Office of the Chief Auditor. These are the responses they provided to us, in their response letters that have become part of the work papers. This is something that I believe a Board member requested. These are their actual responses to the Property and Inventory audit, sent to the Office of the Chief Auditor. The whole format is new.”

Dr. Lynch-Walsh asked, “What is the definition of ‘unresolved’?”

Ms. Arcese replied, “I believe in her response to the audit exception, the Principal actually indicated that the item had not been on her property and inventory. She said that it just appeared. I did speak to the Principal just this morning, and we went over this. There is documentation that the prior Principal had submitted an acquisition form, and the item had been on inventory. I’m still working with this school to try to figure out why they didn’t know it was on inventory. It’s one of those situations where we are working with a newer Principal. She is trying to understand the process, and I’m helping her through that.”

Dr. Lynch-Walsh asked, “When it says ‘none provided’ they just didn’t respond to why the thing was missing?”

Ms. Arcese stated, “Right. According to her, it wasn’t on her PNI report.”

Dr. Lynch-Walsh replied, “Oh, that’s what that was.”

Ms. Shaw stated, “I have the same question for the same item. If it is ‘not resolved’, what is the procedure for the particular school? Is the acquisition of the item reversed, is it a write off, is there going to be documentation in your procurement procedure that’s going to quantify what, exactly, happened?”

Ms. Arcese replied, “I do have the documentation that shows the item was acquired at the school. At this point, it’s still not found. She was not able to locate the actual computer at the school, so

once this audit is approved, the final report will be given to Accounting and Financial Reporting. They note it as an item that was missing. For two years, that item stays on the school inventory as a pending item. If it is found, then the record will be reactivated, but if it is not found after two years then the record drops out of the system. It is showing right now as ‘unaccounted-for’ in the system. She will not be responsible for the item after this point unless she does find it. It’s going to be technically a deactivated record.”

Ms. Fertig asked, “At Croissant Park, wasn’t there a sudden death of the Principal?”

Ms. Arcese stated, “There was.”

Ms. Fertig stated, “I would just like to note that a new Principal came into this situation after the loss of a very beloved Principal.”

Ms. Arcese replied, “I was being very sensitive to that fact, as well.”

Ms. Fertig stated, “I don’t know if everybody here knew that.”

Dr. Wanza stated, “Coupled with that, the individual who was responsible for the Property and Inventory retired. Then, she obviously had to hire someone new, and start the training process-- a lot is going on in this situation. We certainly acknowledge the seriousness of it, and we will continue to monitor and provide support to the school, but there were a lot of moving parts here.”

Mr. Barnes asked, “Any other comments or questions from the Committee?”

Mr. Herbst replied, “I make a motion to transmit.”

Mr. Barry replied, “Second.”

Mr. Barnes stated, “It’s been properly moved and seconded that we transmit Internal Audit Report - Property and Inventory Audits of Selected Locations. Are there questions to the motion? All in favor of the motion signify by saying ‘Aye’. Opposers have the same right. Motion passes.”

Motion carried.

Moore Stephens Lovelace, P.A. - Management Letter for Fiscal Year Ended June 30, 2017

Mr. O’Keefe stated, “Thank you, Mr. Chairman. My name is Dan O’Keefe. I’m the engagement shareholder on this audit. I have with me Shaun Davis, who is also the partner on the Single Audit and some other parts of the overall audit. Before we get into talking about the reports, one of the things I do each year is benchmarking. We audited seven school districts around the state of Florida. I have accumulated data about your peer group, which is basically the entities that get audited by external auditors. There are sixty-seven school districts. Thirty of them are audited by external auditing firms, and the others are audited exclusively by the Auditor General. Of the thirty, twenty of them do a Comprehensive Annual Financial Report, and ten of them don’t do a Comprehensive Annual Financial Report. Your peer sub-group is the top five school districts. All five prepared Comprehensive Annual Financial Reports. Looking at all the different Reports, sixteen out of thirty had Reports with no findings. In this organizational industry, the standard is that you should be in a position where you should have few, or no, findings. I also looked at these to see how many of these entities had Audit Committees and active Internal Audit departments

and the ones that had the best reports pretty much had active Audit Committees and active Internal Audit functions, which kind of makes sense. This function absolutely enhances internal control structure and puts you in a stronger position. This is just useful information we like to share with different Audit Committees. You are in a good position compared to other entities, especially those that I call your peer sub-group, the super school districts, the large ones. With that said, I will direct attention to the Report on Internal Control and, in particular, the Management Letter. As you know, when we gave you the CAFR report, the Single Audit work was still going on, and we had to hold back on these reports until that was completed. The deadline to get the CAFR out was driven by the Government Finance Officers Association, not by Florida Statutes. The timeline for the Single Audit is different, and also the timeline requirement for filing with the state is very different. It wasn't the best situation to provide you with a completed audit report the last time. However, going into next year, we can change that timeline to be a little bit better, so you have a chance to review the draft before it actually goes in as a final report. Also, we are anticipating next year, because we will already be on board, we will be able to come in and meet with the committee well in advance and talk about what's on your minds. Then, we can formulate our game plan and come back and do a preliminary review, before we get into the final audit approach. It will be a more classic way of doing it with the audit committee. I think that's a good process. Our report said we didn't find any material weaknesses, we didn't find any significant deficiencies and we didn't find any violations in the compliance area. We didn't find anything that we were required to report in the Management Letter. Under State laws and rules, if we found any type of violation of compliance, regardless of materiality, we would have to report on that. We found no such violations. There was one Information Technology comment that was still outstanding from the previous year. We had our IT specialist go in and look at it and see that IT staff had resolved the issue, which they had, to our satisfaction, so we cleared that particular comment."

Mr. Barnes asked, "Are items five, six, and seven under your domain?"

Mr. O'Keefe stated, "I'll turn it over to Shaun and his team to talk about the Single Audit."

Mr. Fromhe asked, "When you talked about reporting findings in the opening remarks, were you talking about Management Letter comments on internal control?"

Mr. O'Keefe stated, "There are three primary letters that have to be issued. One is the Report on Internal Control and Compliance which is required by government auditing standards. The sixteen entities that I talked about had no findings in that Report. Then there are the Single Audit reports on the federal programs. Again, the sixteen I was referring to had no findings there. Then there's the Management Letter and the sixteen I was referring to had no findings there."

Mr. Frohme asked, "These are internal control type issues, not other noncompliance type?"

Mr. O'Keefe stated, "Your audit that we do is kind of related to the financial statements themselves. So we have to go in and identify compliance issues that have a direct and material impact on your financial statements. Just like we do with the federal programs, we have to go in and identify those areas that might have a direct and material impact on a specific major program that we are testing. It's very different from an operational audit that the Auditor General does every three years. When they come in they are looking at a lot of low level operational issues that we typically don't look at, at the financial statement level. Everything is measured based on what happens in the financial statements."

Mr. Barnes asked, “Are there other questions on item five, before we proceed to six?”

Mr. Davis stated, “I’m Shaun Davis, S. Davis and Associates managing partner. We teamed with Moore Stephens Lovelace. We told you that it would be a seamless approach, a one-team effort, and that’s what we have here today. I have my audit partner, Tanya Davis, who was actually in charge of the Single Audit, agenda item number seven, and audit senior manager, Kevin Adderley, who is also going to report on the Single Audit. There are no findings here. We will go as detailed as you like, but we will do it pretty quickly in terms of trying to go through the report. It’s the longer document you have. I believe it’s about ten pages. Let’s go through that fairly quickly.”

Ms. Davis stated, “As Shaun mentioned, my name is Tanya Davis and I’m the audit partner. Kevin Adderley is with us, and he is the one who was primarily in charge of the Single Audit. He did much of the work for the Single Audit himself, and supervised the other staff who helped him complete the Single Audit report. If you look at the document, turn to page one, that is our Independent Auditor’s Report on the Schedule of Expenditures of Federal Awards--our report on the total grant expenditures that you had for the fiscal year 2016-2017. I want to bring to your attention that management’s responsibility is for the preparation and fair presentation of the financial statement. That extends to the Audit Committee, and it extends to the Board. As we go through the report, keep in mind that it’s your responsibility to ensure that the statement is free from material misstatement. Our responsibility is, of course, to opine on this statement, and we did that in accordance with auditing standards generally accepted in the United States and government auditing standards, and also under the requirements of Uniform Guidance for the Single Audit. Our opinion is the last paragraph. It is a clean opinion, or unmodified opinion. This is the best type of opinion you can get on the financial statement--the Schedule of Expenditures of Federal Awards. Turn to page two--this is our report on compliance for each of the major federal programs that we tested, and internal control over compliance. We found no matters of noncompliance that needed to be brought to your attention and no deficiencies in internal control. Pages four through six reflect your expenditures by federal grantor agency. Page six, total expenditures of federal awards of approximately two-hundred eighty-nine million dollars, the majority of that, as you would imagine, comes from the Department of Education. That amount was one-hundred seventy-four million dollars, which you see on page five. If I could move forward to the notes, I’m just going to speak to two of the notes. Sub-recipient awards--the District did not award any of the federal funds to sub-recipients, other agencies or other entities during the fiscal year. Regarding the school lunch program, which is note four, the school lunch programs include approximately ten million dollars of donated food during the fiscal year. Pages eight and nine summarize our findings and questioned costs. As I mentioned, the report on federal awards was unmodified. The report that you received back in November, that was presented by Dan and Moore Stephens Lovelace on the financial statements, was also unmodified, no material weaknesses and no findings on either. About two-thirds of the way down on that page, we listed the programs that we identified as major programs. Those were the programs that you’ve seen on the Schedule of Expenditures of Federal Awards. These four programs and/or clusters were those that we tested in compliance testing for the Single Audit -- Title I, Special Education Cluster, Career and Technical Education, and Supporting Effective Instruction State Grant. The Title I program was the program that you did have a finding on, back in 2015 when the Auditor General performed the Single Audit, that was partially resolved in 2016 and completely resolved in 2017. Our threshold was 3 million dollars to determine type A programs which aids us in determining the major programs to be tested. Because of the finding in 2015, the School Board was not considered to be a low risk auditee. Now

that the finding has been cleared, you should be a low risk auditee for next year. Next year is another period in which the Auditor General will perform the Single Audit. That will not be performed by our team. As Dan mentioned, they come in every three years and they do certain aspects of the audit. Page nine simply repeats what we said-- there are no findings. Page ten, item two refers to the 2015-001 finding, and in this current year we consider that finding to be corrected and resolved. That concludes our presentation. Are there any questions or comments?"

Mr. Barnes asked, "Questions from the committee members?"

Dr. Lynch-Walsh asked, "Regarding the Title I issue-- I'm reading on page ten-- the audit finding has been corrected by the District submitting all required documentation to the Department of Education during fiscal year 2017. I thought we were also supposed to see an update here, and I don't remember discussing the update."

Mr. Barnes stated, "I do remember that discussion, and at some point I believe Ms. Hines came back with a report, but I don't know if we ever received anything. Do you want to respond to that?"

Dr. Lynch-Walsh stated, "There was verbal, and I requested written. Since the State now has the written explanation, the idea was it would also now cycle through here."

Ms. Wright-Hines stated, "Mr. Barnes, I would be happy to provide a written update. I'll have to see if we received a written response from the State and I'll have to see if our external partners, here, received a written response that we can also bring forth to the Audit Committee."

Dr. Lynch-Walsh stated, "I was reading from the audit report, which says that the District submitted all required documentation. I wasn't asking whether we got a written response from the State, but something in writing from the District. Since it's been submitted to the State in writing, we were waiting for a response in writing from the District regarding resolution of the item."

Ms. Wright-Hines stated, "Thank you for the clarity. I do recall submitting to Mr. Reilly documents supporting that we had completed that, whether or not it had reached the Audit Committee. I do apologize, but I will be more than happy to resubmit that information."

Mr. Adderley stated, "I just want to state that as a part of our follow-up, we did obtain from the District a letter dated March 1, 2017, from the Florida Department of Education, stating that the audit finding has been resolved. They received the information that was due January 31, 2017, and they accepted it based upon that. Then there was another request for information, that was submitted before the June 30, 2017 deadline. We were provided with the letter from the Florida Department of Education, as well as the information that was submitted for the two deadlines, indicated by the Florida Department of Education."

Mr. Barnes asked, "Dr. Walsh, does that bring clarity to your question?"

Dr. Lynch-Walsh stated, "No, it's a request for information. What I remember as being the last chapter is that we had a verbal explanation at a meeting, and I requested, in writing: How did this happen, what steps are being taken and how was it corrected to make sure it doesn't happen, moving forward? As far as I can recall, we haven't seen the written update. It was a miscalculation that led to the misallocation. The calculations were being done incorrectly. While it's great that everyone is saying that it's been cleared up now, we were simply looking for the written version of the verbal explanation provided at the meeting. The only thing we had in writing were the

minutes. There should be schedules or something demonstrating how it was resolved and accounted for. There was an accounting issue that involved numbers that had been misallocated.”

Ms. Fertig stated, “I was just going to suggest that we check the minutes from the meeting last year, because you did come to us about a year ago with a panel of people, and we did have a discussion. Ms. Conway, if you could look back and see what our discussion was, and how we left it at that time.”

Mr. Barnes stated, “Ms. Hines, as I recall, when your department, along with some others, made the presentation, there was a question about the distribution of Title I funds to certain schools, and you all were going to make a response to the State, which you did. As we search the minutes, we’ll find that you did make a verbal report. Basically, what Dr. Walsh is asking for is-- the State was requesting a response, which you did. We never saw the actual writing. I don’t know if it was even requested. There had to be some written documentation floating between your department and the Department of Education. I guess that’s what you’re asking for, Dr. Walsh.”

Dr. Lynch-Walsh stated, “Yes, written, thank you.”

Ms. Wright-Hines stated, “I’ll be more than happy to forward that information to the Audit Committee.”

Mr. Barnes stated, “At the next meeting, we’ll look forward to getting something written from your department on that, and we’ll make sure it’s on the agenda. Any questions for items number five, six and seven? Hearing none, motion to transmit? It has been properly moved and seconded that we transmit items five, six and seven. Are there questions to the motion? All in favor of the motion, signify by saying ‘Aye’. Opposers have the same right. The motion passes.”

Motion carried.

Other Discussions - A Discussion of the Ethics and Sunshine Training

Ms. Conway stated, “Policy 1.7 states, ‘Each member of a School Board-Established Advisory Committee is a public officer as defined in Sections 112.313(1) and 112.3143(1), Florida Statutes, and is subject to state ethics requirements and The Sunshine Law. Accordingly, each member of an advisory committee is required to execute the school district’s Conflict of Interest Form for School Board-Established Advisory Committees prior to serving on any advisory committee.’ I brought copies of the Conflict of Interest Form to distribute, so please fill it out and get it back to us. You can do it now or scan it and email it back to Megan. It’s a reminder that there is the possibility of conflicts of interest. Filling out this form should make you mindful that conflicts of interest could occur, and if something arises, you do need to let us know.”

Dr. Lynch-Walsh stated, “Policy 1.7 mentions this Form, but sort of creates a loophole, where if you actually had a conflict, you’re not violating policy by not disclosing it. In the fine print at the bottom of this Conflict of Interest Form for School Board Advisory Committees, it refers to Form 8B, where you would actually disclose a real voting conflict of interest, and that is what should be in policy. It says, ‘Please return this form, and Form 4A and/or Form 8B...’ It sounds like this is presuming you have a conflict of interest. There seems to be some confusion on the part of whoever developed this form as to what its purpose was. Otherwise, you are confirming that you don’t know that you have any conflicts of interest, when what is required by State statute is a completed form should you have a conflict of interest. It is sort of an unnecessary piece of paperwork. The

more concerning thing is that Policy 1.7 doesn't actually mention the State-required form, which is Form 8B. It mentions this form, which is actually not required by statute. We have sort of a loophole which could send you in the direction of not completing the form which you should actually complete.

Ms. Fertig responded, "In the length of time that I've been on this Committee, a couple of times I have approached Mr. Reilly on things that I felt I had a conflict on, and asked if there was anything I should fill out, and was told no, just to put it on the record at the meeting. As Dr. Lynch-Walsh stated, we're supposed to be completing a form. If that's the case, the form needs to be provided, not just to this committee, but to every committee. This is one of the more important ones, but, still, across the board—and I have asked these questions in other venues—if whatever you're going to have us sign is what School Board members would sign, then I would ask that we would have those. From time to time over the years, there have been a couple things. There have been other members of the Committee that have been in the same situation."

Mr. Barry stated, "Conflicts have involved our law firm from time to time. There have been audits that involved firm clients, and I've announced them and didn't participate in the conversation or the voting."

Ms. Shaw stated, "Completing this form doesn't supersede the State Form 8B, which is due within fifteen days after the vote. I want to make sure we are not in violation. I am on several other committees inside and outside of the District, and Form 8B is required within fifteen days. I signed several conflict of interest forms and it doesn't have anything to do with Form 8B when it is needed."

Dr. Lynch-Walsh stated, "The actual necessary form is being glossed over in favor of this form which doesn't preclude Form 8B. When you would actually have the conflict, this doesn't take the place of Form 8B, and, I suspect, if a lot of people are not aware of Form 8B, they are not filling it out. I sit on other committees such as QSEC, where they do fill out Form 8B."

Ms. Fertig stated, "I specifically asked and was told there was nothing to fill out. I would say the District needs to be consistent across the board."

Mr. Barnes stated, "Ms. Conway, if I'm correct, what I'm hearing is there should be two documents? This one is if we think we have a conflict, and the other one is if we actually have a conflict."

Dr. Lynch-Walsh stated, "You don't need this one, it's just the form Policy 1.7 mentions. I think an error may have been made in the policy writing. They focused on this form instead of the one that is actually required."

Mr. Barnes stated, "I don't think it's our decision as Audit Committee members if we need the form or not. We need to have Counsel from the School Board tell us what the appropriate document is."

Mr. Vignola stated, "As I read Policy 1.7, I take this form to be one that's used to screen, at the front end of your participation on a committee, whether or not you have conflicts that may preclude your service. Once you have commenced service, if there were an item on the agenda for which you have a conflict or perceived conflict, then you should properly bring that to the attention of the District liaison. Then, the District liaison would contact our office for further guidance. If

you had a situation where there was indeed a voting conflict, then we would be advising you to announce at the meeting that you have a conflict, disclose what the conflict is, refrain from voting on the matter, and indeed timely file Form 8B that has been mentioned by several Committee members here. There are two areas of conflict under the Florida Code of Ethics for public officers and employees. We are now speaking of voting conflicts. There's another type of conflict, it's a prohibited business relationship conflict. Those are identified in a training video that is referenced in Policy 1.7. You will be provided a link to this video. There are trainings regarding both ethics requirements that apply to advisory committee members. Sunshine Law requirements, public records requirements and parliamentary procedure are also covered. Staff will be providing you the links to those resources."

Ms. Conway stated, "The Conflict of Interest Form has a blank space for your current email address. If everyone will give us a good email address, I can forward to you the email correspondence between myself and Alex Macri. He sent me a link to the Committee Training Program and Resource webpage that I could forward to your email, and you could just click the link and go straight to the webpage. You can complete the ethics training you need. I know some people may not need to do it because they are on other committees and they have already done it. You will have to decide what is appropriate in your case."

Mr. Vignola stated, "I would say one thing-- wait to fill out the District form until you have the opportunity to review the training materials. It may make you more sensitive to whether or not you have something you may need to mention on that District form. I don't know if you should fill out those forms today, if you are not familiar with whether or not you have a situation."

Mr. Herbst stated, "As an appointed official of the City of Fort Lauderdale, I've undergone the ethics training provided to our elected officials by our City Attorney's office. Does the School Board require me to do another round of ethics training above and beyond what I've already done for the City of Fort Lauderdale?"

Mr. Vignola stated, "I believe the Board policy requires each committee member to view the District-prepared materials. You will find them to be similar to what you received. They may be a bit more abbreviated because they address the issues that might be more likely to come before an advisory committee member. I don't think it's going to require a great deal of your time."

Dr. Walsh stated, "It doesn't require a lot of time. The first time you take it, it takes about forty-five minutes. The second year you take it, you can take the ten minute pretest. But, you must use the same email address you used the prior year. Use the link that Mr. Macri sent out. They have been trouble shooting as they go along."

Ms. Shaw stated, "My only concern, having done the training a number of times, is that Form 8B is not covered in depth. I took the training, the 8B form is not covered, and a number of committee members are not aware that this form is required at the time of voting conflict or within fifteen days. I just had a meeting in Orlando with Caroline, who provided myself and my committee members, outside of the school district, training on ethics and Sunshine. I wanted to make sure that someone is going to ensure there is some sort of higher level of training to all committee members. That is not in this District Committee Member training."

Mr. Barnes stated, "Let me see if I can bring some kind of clarity. We were requested to complete the original document that was passed out by Ms. Conway before we leave. But, after the

discussion with Counsel, the recommendation was to view the video first, then bring the document back, signed. Then there is a second document we should have in our possession. If a Committee member sees an item on an upcoming agenda that makes them think they have a voting conflict of interest, they should make the conflict known before the vote on that item, and request advice from the Deputy General Counsel, and fill out Form 8B.”

Mr. Vignola stated, “I’ll be happy to provide Ms. Conway with a copy of Form 8B that has plain spoken and clear directions to assist anyone who may have to file it. That would be a good resource to share with the Committee members, and if they need more elaboration then we’ll happy to provide it.”

Ms. Fertig stated, “I’m hoping after this conversation that every liaison is made aware of it. We deal with a lot of volunteers with different backgrounds, and I don’t think it’s realistic to expect that all of them are going to know every form that they should fill out. And yet, they are going to be responsible for knowing it. I would ask that the liaison has those forms and that they are completed, if they get a question about it.”

Mr. Barnes stated, “If members have doubts about their role in some particular upcoming vote, you should request some answers. Then the other question would be, how often are Audit Committee members required to view the video?”

Ms. Conway stated, “It says annual training.”

Mr. Barnes stated, “One of the things we are going to do is make sure the link to view the video is made available to all Audit Committee members, so you can go through the procedures and the assessment. I will not be here for the meeting on March 22, as I have a commitment. Once you view the video and do the assessment, I’m going to ask the Audit Department to provide each one of us with an orientation packet. This has the roles and responsibilities for us as Audit Committee members. We will have a brief discussion on what our responsibilities are as Audit Committee members. We venture into uncharted waters, where we shouldn’t be, so I think we need to have a brief discussion on that. Any other questions on the Sunshine and Ethics training, item eight?”

Ms. Shaw stated, “Watching the video will not have any effect on the completion of this form. I think the form should be completed now and turned in.”

Mr. Barnes stated, “Let’s put it this way, if your comfort level is OK with signing this document without watching the video, do it; but if you feel the video may be of assistance, then do it at that time and get the form back to us. This is not something that requires a motion.”

Ms. Conway stated, “It appears that this room is needed on March 22 at 2:15 P.M. for another group. We have to be out of the room at 2:15 on March 22. There did not appear to be another suitable room available in this building for us to use on that day. I was wondering if you all would be comfortable shortening the meeting, or meeting at an earlier time, or if you prefer to change the date of the Audit Committee meeting.”

Discussion followed.

Ms. Fertig stated, “I motion for the Chair and Ms. Conway to work this out and just let us know.”

Mr. Traeger stated, “Second the motion.”

Mr. Barnes stated, “The motion is for the Chairperson and Ms. Conway to make the decision. We have a motion and a second. All in favor of the motion, signify by saying ‘Aye’. Opposers have the same right.”

Motion carried.

Mr. Barnes stated, “That’s the end of our meeting. I have a motion to adjourn the meeting and a second.”

Meeting Adjourned at 1:40 P.M.