

# The School Board of Broward County, Florida

## AUDIT COMMITTEE

**Audit Committee Meeting Transcript**  
**Thursday, October 11, 2018**

Mr. Jabouin:

Agenda items one and two are follow up from previous audits that were done by the Office of the Chief Auditor. I wanted to mention with respect to follow up, it's fundamental for a top tier function to have follow up embedded in it. I'm still in the process of developing a robust follow-up process where I'll have an inventory of all the issues. That will enable me to review it across different areas, look at trends, and so forth. So, follow ups have been discussed at this meeting, at the August 11th meeting, and it's also been discussed at the Board meetings. I have included two audits that we have received some correspondence from Dr. Lynch-Walsh on. I'm in the process of building a more comprehensive follow-up process where I'll be able to have some reports on how we stand on a variety of different matters.

With respect to the items that are agenda items one and two, the first audit originated back in 2016. It's a follow-up audit, but the original audit went back to when it was presented to the Audit Committee in March of 2016 and then to the Board in April of 2016. That audit of the extermination contracts found that the District was in compliance with the terms of the contract.

The main issue that was brought out by the team was with respect to being able to take advantage of discounts based on how we were being billed on the cumulative basis. We were being billed on individual square footage, whereas, it would have been better to have been billed on a cumulative square footage because we would be able to get some better discounts. The Physical Plant Operations department had responded that they would rebid the contract in accordance to the recommendation. With respect to portables, they would get a rate of \$425 per portable. When the audit team performed the follow-up audit that was presented to the Audit Committee in October of 2017 and to the Board in November of 2017, they found some instances where, with respect to the portables, that the district was being billed in accordance to the old rate, and the contract had not yet been rebid.

So, it turns out that the District was reimbursed \$9,700 as a result of that. Since that time, as a result of preparing for this meeting, I've had many meetings with Mr. Bobadilla. He could not attend the meeting because he's attending to a family matter, but I've had some very productive meetings with him and his team. I have found that he took these findings seriously, and his team provided me with quite a few documents and spreadsheets.

One was the new contract with the language that we had been looking for with respect to being billed on the cumulative square footage, and two, with documentation with respect to us being charged the \$425 per portable. So, all of those documents looked very good from an audit standpoint. What I'm doing now, and Mr. Usallan is assisting

me with that, is doing some of my own tests and getting records from Accounting to independently look to see if we have the complete information with respect to that.

With the new contract, we're going to select some different invoices to see that we're being billed accordingly. So far, the information that we were provided looks very much like they are in compliance. The meetings that we had showed, they did a lot of work on this, and I feel very comfortable with what they've provided to me. Now, I'll just be in the process of doing my own independent verification. So, I'll be in a position at the next meeting to provide the Committee with an update with how that stands. From the work that we've done so far, I don't have any exceptions to that, and I'm encouraged by the work that's done by the Facilities division with respect to this audit.

So, the next audit was an audit of the asphalt. That was presented to the Audit Committee in May of 2017 and presented to the School Board in June of 2017. There were four issues regarding this audit. Two of the minor ones that were easily correctable. There was an issue regarding whether or not the vendors were pre-qualified. My understanding is there was at one time the requirement for having prequalification then it went away, then it came back. As we sit here today, the two vendors that provided that service for the District do have prequalification letters and we were provided with copies of those.

There was also an issue regarding whether or not these vendors had exceeded the limits we have for vendors. We took a look at the activity regarding those vendors, and the limits are pretty high, and so the year to date billings are unlikely to exceed the vendor limits on those two particular findings.

There was an issue with respect to whether or not a standard permit should be used or if a specific permit should be used. We took a look at the new process that was put together. The Facilities department worked with the Building Department to come up with an agreed upon list of what circumstances exist and when a standard permit would be needed or a specific permit would be needed.

So, Mr. Usallan and I took a look at that. It looked reasonable from our standpoint. We may do some more tests on that, but we felt pretty comfortable about it. I also have not yet had a conversation with the Chief Building Official to get his viewpoint on that. So, the process is to determine as to whether or not a permit is needed looked pretty reasonable to us.

There was an issue regarding the rate that the District was billed with respect to additional services from a vendor. What had occurred during the audit that the vendor had applied an all-inclusive rate where they were providing us with equipment. At the end of it, though, the value that the District received for the engagement was deemed to be proper. We have a new contract that indicates a reasonable rate that that vendor would bill us, and we do have a copy of that. At the same time, we're going to be in the process of looking at the invoices to see if we indeed are being billed appropriately in accordance with the new contract.

Similar to the previous audit, I've spent a good amount of time meeting with Mr. Bobadilla on that. He does take these findings seriously. Our meetings and our conversations have worked out very well. I'm confident that he does take it seriously,

and we're just in the process of just doing our own verification on that. So, similar to the previous audit, we are looking into that, and we are continuing to follow up. I'll return at the next meeting on November 15 with an update on these matters to the Committee.

Mr. Barnes: Thank you Mr. Jabouin. Other questions from the Committee as it relates to these two follow-up items? Dr. Walsh.

Dr. Lynch-Walsh: Yes, I just wanted to make sure that whatever was looked at was specifically identified whether the District is overpaying a third time because the point was to ensure accountability and consequences for staff overpaying invoices a third time. Because two audits have now caught this where even though people were told what they ought to be paying. It's clear that people are signing things and approving them for payment without ensuring that the pricing is correct.

Mr. Jabouin: Dr. Walsh, I believe that the procedures that I've designed and that we're in the process of doing will be able to determine whether or not we are being billed appropriately.

Dr. Lynch-Walsh: The question is whether they're approving. We can be billed inappropriately, and people can refuse to pay it, and then they can go back and fix the invoice. That's one issue. The issue has been that we were being billed inappropriately, and people who ought to have known better kept signing off on it. It became an issue with the last one because the Superintendent indicated that if there was a third time, there would be consequences for doing that. So, I just want to be sure that whatever procedures you dictate that staff follow will in fact capture that if we're being billed inappropriately and we will be capturing whether people were signing off on it.

Mr. Jabouin: Sure. I believe the first step is to determine the appropriateness of the billing, and if it's not being billed appropriately, we will look into the root causes of why that occurred. Obviously, if somebody signed off on it, we would certainly question as to whether or not they reviewed it correctly. The procedures that we will do will capture whether or not we're being billed appropriately. If we are, it will provide assurance on that. If we're not, we'll look into the reasons as to why not.

Dr. Lynch-Walsh: Okay, and whether people are approving invoices appropriately then.

Mr. Jabouin: Of course. We will look to see if they're approved, period. There's a possibility it's a blanket approval. So, I think the first part is to determine whether or not we were billed appropriately, and then you ask who signed off on it, what may have happened, and looking into the root cause.

Dr. Lynch-Walsh: Okay. So, we'll have a better sense of that at the next meeting?

Mr. Jabouin: Sure. I mean obviously, as I mentioned before, a follow up is an important process, and we will follow up on these findings.

Dr. Lynch-Walsh: And actually, it's in the policy as it relates to the Office of the Chief Auditor.

Mr. Jabouin: Sure.

Dr. Lynch-Walsh: It's one of the very last things in item number 10.

Mr. Jabouin: Yes, it is.

Dr. Lynch-Walsh: Thank you.

Mr. Barnes: So, Mr. Jabouin, I'm assuming we're going to have a follow up to the follow up.

Mr. Jabouin: Sure. Yes.

Mr. Barnes: Other questions from Committee members? Hearing none. Okay, before we move to our new business, one more introduction [joining the meeting].

Ms. Fertig: Ms. Fertig.

Mr. Barnes: Okay. We're going to move on to new business. You've received a copy of the minutes from our last meeting. I need an action for approval of those minutes please. A motion.

Mr. Medvin: Motioned.

Mr. Mayersohn: Seconded.

Mr. Barnes: Properly moved and seconded that we accept the minutes from our August 9, 2018 Audit Committee. Are there questions?

Ms. Fertig: I had a number of corrections. Some of them are just spelling or a letter left off. Can I just submit those rather than going through the process of reading each one into the record?

Mr. Barnes: I think that would be appropriate.

Ms. Fertig: Okay, I'll just hand this to you at the end of the meeting.

Mr. Barnes: All right.

Ms. Fertig: I went through mine and there was a lot of misspellings. I didn't see anything substantive, but it doesn't read right to me. It doesn't read correctly.

Mr. Barnes: Mr. Barry.

Mr. Barry: I'm used to seeing minutes as kind of summary of things, actions, votes, outcomes. This seems to be a transcript. I found this cumbersome to read, and I don't know who's in charge of this, but my recommendation would be we have summary minutes from these meetings.

Mr. Jabouin: Yes. I concur with that. In my prior experience, the minutes are not generally as verbatim as we prepared them. What happened is that I tried to look to see how they had been done in the past. Even though I didn't concur with that, I prepared them as

submitted. At the next meeting I'll attempt to provide a summary of the significant points.

Mr. Barry: Thank you.

Mr. Jabouin: If that's acceptable to the entire Committee.

Mr. Barnes: Dr. Walsh.

Dr. Lynch-Walsh: Actually, this is I think my third year on here, and they've always looked like this. I've always appreciated that because when they're verbatim, nobody can say that they didn't say that. So, I've definitely appreciated them being comprehensive. Having said that, if there could be sort of a summary of the key points, I am not suggesting substituting just a summary for what they've been doing. And of all the departments, I would think we'd want the Audit Committee to take the time to transcribe this. It has come in handy in the past. But I agree with Mr. Barry's point that perhaps a summary at the beginning because they are broken out by agenda item area. It just depends on the length of the conversation. So, there's no reason you couldn't add something at the top of each section, if a vote was taken or whatever the key points that were made.

Mr. Jabouin: I do concur with that as well. We will make an effort to streamline the minutes because it's also very difficult to type them as well. Trying to summarize them while keeping the points raised by the members is important.

Mr. Barnes: Ms. Fertig.

Ms. Fertig: Yeah, and because these minutes go to the Board, and this provides a way for them to see what our conversation was, I feel like the longer version. Even though I agree with you that it takes a while to read these, I think it's important and sometimes months and months go by, maybe even a year, and we go back to something and it's easy to go back to the minutes and get a good feeling for what the actual conversation was. So, as difficult as I know it is on your staff, I think it's good to have this transcript just for the public, and for the Board.

Mr. Jabouin: Probably a good idea would be, for example, some parts of the meeting where partner from Moore Stephens Lovelace presented, and he had an attachment where he was basically reading a lot of the things from there. I think it can be collapsed, but if there are some points that are made by the Committee members, we probably should keep those verbatim. So, it'll be a little bit of a hybrid between what Mr. Barry said. We'll do something next time, and hopefully you like it.

Mr. Barnes: Keep in mind, the motion was to approve the minutes as they are printed. Once I approve that, these discussions that we're having now, the motion was to approve the minutes as they are printed. Mrs. Fertig noted some items that were spelling and situation of that sort. So, what I need to do is carry the motion on approval of these minutes, and then I will come back and allow these discussions that we're having now. The motion was to approve the minutes as printed. So, let me carry that motion, and then I will entertain these other questions that you might have. Any other questions to them? Yes ma'am.

Dr. Lynch-Walsh: As printed, but incorporating any corrections.

Mr. Barnes: Right. So, the motion is to approve the minutes as printed with the noted corrections from Ms. Fertig.

Mr. Mayersohn: We'll get a copy of those corrections?

Mr. Barnes: Yes. Okay. All approve of the motion signify by saying Aye.

Committee: Aye.

Mr. Barnes: Opposed have the same right. Now, Mr. Mayersohn, we will continue with that discussion.

Mr. Mayersohn: The audio portion of this meeting, is it archived?

Mr. Jabouin: Yes. So we prepared them by listening to the tape.

Mr. Mayersohn: Right. But is it archived for public access? I guess my point would be similar to a School Board meeting. I mean the School Board minutes are in verbatim. So, if I wanted to go find out information, I go to BECON or wherever it is, and I'd search, and I'd hear the meeting. I hear what I'm listening to as opposed to reading it.

Mr. Jabouin: Does someone know the answer for that?

Ms. Conway: In my experience, the Audit Committee, the audio portion of it isn't really available. I normally get it by requesting it from BECON. They are keeping a file. They're not actually out there on the BECON website, but they can be requested.

Mr. Barnes: Dr. Walsh.

Dr. Lynch-Walsh: I've had to request recording before and trotted down to BECON to get them. They're not readily available. It doesn't mean that they couldn't be. For instance, if RSM or one of them are going on, I agree. That doesn't need to be verbatim. But, then along with the agenda minutes, you'd have to start posting the recording. So, for instance, the Facilities Task Force doesn't have transcribed minutes, but we record our meetings, which is why so many people tend to stay silent when they worked for the District at our meetings. But, it's available. So, if you can't grasp something from the minutes, you can listen to the recording. While I'm not in favor of not transcribing them, that would be another approach in that the things that you shorten. Let's say it's a consultant doing a lengthy presentation, at least if someone wanted more information, they could go to the recording. This would just improve the general transparency of the Audit Committee meetings anyway. So, it would be a win win.

Mr. Barnes: Ms. Fertig.

Ms. Fertig: I just think it's unrealistic to think that Board Members, with everything else, they're going to listen to an audio tape. If there's a particular issue they're interested in, they can kind of jump to that and see what the conversation was, why we maybe made a

recommendation that we made. Of all committees, maybe not of all, but certainly of many of the committees that the District has, I think the accuracy and the detail of this Committee is really critical for people to know why we come to the conclusions we do and what our findings are. I think what you suggested is good, and I hope that we keep enough detail in here that we can follow what people are saying as to the rationale on issues. Thank you.

Mr. Barnes: Mr. Barry.

Mr. Barry: Let me just clarify. I'm not interested in asking you to do any more work. So, I'm not asking you to do this, plus a summary. It's up to you, but my request is not additional work on your office. Thank you.

Mr. Barnes: Okay. So, what I'm hearing is we need the minutes as they are being printed now because it lists word for word what is said, and there is no question about what is said if the minutes are transcribed this way. Also, what I'm hearing, is that if we could get a summary of certain portions of the minutes, then that will be acceptable to. Dr Walsh.

Dr. Lynch-Walsh: Actually, I think I have a solution. Since these start as word documents, just bold the things. Because if they're transcribing practically word for word, just bold the things that were major or involved a vote or whatever. Then your eye would pick up the thing that was key from what was bolded. Right now, what's bolded is the actual agenda item, in terms of a compromise. So, under new business, report of Moore Stephens Lovelace, PA, blah, blah, blah, blah, blah. Within this entire transcription, you could certainly bold something that was said that was key. Or if there was a discussion around a particular item, bold the thing that was key and that would be a compromise whereby you wouldn't be looking at the transcripts. It would actually make the Board members lives easier too, because they can go immediately to the bolded item. It's a "control B" and you're done for both in Word. Highlight and you hit control and you just bold it, and you're done, as opposed to not bolding it. That's all I'm suggesting.

Mr. Barnes: Well, you know, the problem with that, Dr. Walsh, if someone on staff would have to make a decision as to what should be bold and what is important. I just don't want to put additional work on the Chief Auditor's staff. If we have a document, and I'm not saying that just because you've been doing something for years that way, but if it has been acceptable, and it has gotten us to the point where we need to be, and Mr. Barry brought up, what he's saying is he's not looking for additional work on staff. He would leave it to the discretion of the Chief Auditor's staff. If on certain items of length, that he could make an attachment for the important items as they relate to that. Once again, what's important to Mr. Barry may not be important to Mr. De Meo or somebody else. Ms. Fertig, you had your hand up?

Ms. Fertig: I did. I was just going to suggest that we have all commented, and maybe we leave it to the Chief Auditor to come up with the format that he feels will work best.

Mr. Jabouin: I will get the comments into play, and I will provide you with a set of minutes for this meeting at next month's meeting, and hopefully it addresses the many points that are there. I'll see if you like it.

Mr. Barnes: So, that's a great compromise. So, he will try this format and have it ready for us. It will give us an opportunity to see the new format, and if it's something that we will continue with. Okay. Thank you on that. Next, on the agenda is item number four.

Mr. Jabouin: Ms. Marte, the Chief Financial Officer, has been a very good partner of mine since I've joined the District. It's been my experience since I've been a Chief that the CFO has attended the Audit Committee meetings. Ms. Marte was able to attend last month, but I thought it would be a good idea to provide her an opportunity in the agenda to enlighten the Committee about her.

Mr. Barnes: Ms. Marte, go ahead.

Ms. Marte: Thank you Chair. Thank you Mr. Jabouin. As Mr. Jabouin said, I am the Chief Financial Officer for the District. I've been with the District just a little bit over a year. Prior to coming home, because I'm a Broward resident, to work in the District, I was the Chief Financial Officer for the Miami Dade County Public Schools for four years. Prior to that, I was the deputy CFO there. The Chief Budget Officer. The head of the P Card program. I worked in accounting for about 15 years in Miami. As you can tell by my accent, I am not a native of South Florida. My first stint in government was as the CFO of a school district up in Massachusetts where I worked for 13 years. Prior to that, eight years with Pete Marwick and then Coopers and Lybrand back in the day when it was the big eight. I'm very excited to have a Chief Auditor who has a lot of the same vision that I do. He's a thought partner as we both try to work to continue to improve, not only financial transparency for the District, but processes and systems that make life easier for schools, make things more efficient, and give our public a better view into the finances. When I came on board, I had specific goals assigned to me by my Superintendent, Mr. Runcie, surrounding transparency of the budget document to the public, which we accomplished this year.

The detail in the budget that the Board got was greater than they had received in the last several years. To work with Principals and school site leaders to understand better what was in their budgets and to be transparent about that. All of the details of how school budgets are built are in the budget document that was approved by the Board this year. Also, to work on processes that while good, we can always continue to improve. So, this is my last stint. I promised Mr. Runcie eight years. I've got a year down. In these seven years, I am very, very excited to bring some of the things I've learned in my path here, and to look for industry standards like the Government Finance Officers Association, the Council of Great City Schools, and some of the benchmarking to make sure that we here in Broward can do everything we can in the back end so that the money is spent in the schoolhouse for teachers' salaries and services to our kids the way it should be.

So, I appreciate the few minutes to introduce myself, and I'm looking forward to input from this group into things that we can do better and to implement changes that you see in your expertise need to happen. So, thank you.

Mr. Barnes: Thank you Ms. Marte. Questions or comments from the Committee? Mr. Barry?

Mr. Barry: Welcome. Very nice to meet you, and our Chief Auditor is from Massachusetts also.



Ms. Marte: Not originally. He's from down here.

Mr. Barry: He just spent his last stint up there.

Ms. Marte: That's some symmetry we have.

Mr. Barry: Any overlap at all?

Ms. Marte: No.

Mr. Barnes: We're going to move right along to number five on our agenda. Audit Committee / Offices of the Chief Auditor governing documents.

Mr. Jabouin: In accordance with the Audit Committee's By-Laws, the By-Laws should be reviewed every two years. Based on my research, they were last revised in 2014. So, I've included in agenda item five, the current By-Laws. I've also included a Board Policy 1.7, as well as, Board Policy 1002.1. In the last part of agenda item five are the proposed revisions where I have black-lined some changes. The changes are primarily driven by the template that I was able to get from Mr. Moquin's office, and those are driven by the Board Policies themselves.

The template does allow the Committee to make some additional provisions as long as they're not in conflict with the Board Policies. So, what I've done is taken the previous By-Laws, and I have reviewed it, and I have put it so that it's in compliance with the template. While I'm reading the different policies, I did notice during my review that I had neglected to make a couple of changes. As we flip through the pages, I'll point that out to the Committee. I did also want to mention that Mr. Robert Vignola from the Office of General Counsel, who's here, assisted me greatly with this process.

If you go through the black-lined document, obviously, I have some of my comments as far as the logic behind the changes. The first page of the document is primarily driven by some capitalization and consistency with various District documents as far as the naming of the School Board. There is a paragraph in the middle that is from the template regarding the Committee and the nature of the Committee itself is also a part of that. If you flip through the second page, it's just really a dangling section from the first page. As you go into the third page, you see some of those same types of comments as well. The beginning of the next page are probably some more significant changes in accordance to the template. It's the next page, but the bottom of the page says three. That first paragraph on top talks about voting and voting conflicts. I do have the forms with me, but it is the requirement that all members present do vote.

I am referring to Section One of Article Three. So, I do have some similar changes as well, as you get into Section Three. There is an inclusion as far as no term limits. If you go into Section Three, the paragraph that starts, "With the Chairperson," the current language says that all members shall be reappointed indefinitely, but I think that a further change is needed to say that they cannot be longer than two consecutive years because that's what the Policy and the template say. I neglected to include that. So, additional language as far as, but not longer than two consecutive years. Then, after serving for two years, the Chair may not serve as an officer for a period of at least two years, and that would be something that I realized I neglected as I was reviewing

that. Moving onto the next page, which actually has a number four on the bottom, there are forms that I do have with me. Michele has with her here as well, as far as the documents that are needed with respect to Sections Five and Six. Going onto the next page on Article Four. So, there was a little bit of inconsistency as far as the appointment of the Audit Committee members by June 30<sup>th</sup> and when the first meeting of the school year that would be. So, I've gone ahead and changed Section Two for that. Then, on Article Five is referenced to the Audit Chairs annual presentation to the Board with respect to the Committee's goals and the objectives. Then, I also changed, as far as, Articles Six with respect to the timing of the meeting dates because of Board Policy 1.7 does not call for meetings in July. Then, if you go into the next page, which is a dangling paragraph, I wouldn't call that major, unless there are comments back. The following page, which has number seven, probably the most significant ones, if the Committee would allow it, is Section Six. The previous language required seven meetings. I'm proposing that although there is the option to by the Chairs to have additional meetings, we would have the Committee scheduled five meetings. I did take a look to see what they do in Miami Dade County, and just looking at their calendar on the website, it looks like they have five meetings, but it doesn't preclude the Committee from having more. I wanted to point that part out. I'm almost done. I realize the questions are coming in. I believe that's the significant comments for the Committee to consider.

Mr. Barnes: Okay. Ms. Fertig.

Ms. Fertig: Yeah. I'm a little concerned about having five meetings instead of seven. Today's not a good example of that because we don't have really any new audits. When we do have substantive audits coming in, we often are here for lengthy periods of time. So, I'm just concerned that if we collapse that into five meetings, instead of making a two-hour meeting, we're going to be making a three- or four-hour meeting. There's some benefit, I think, to having a schedule in advance for the year. So, if you have the seven meetings on the schedule, and you need to cancel one, that seems to me a better way to go than setting an extra one. So, I would like to suggest that we stay with the seven meetings in the interest of not being here for four or five hours someday. Thank you.

Mr. Barnes: Okay.

Ms. Fertig: I'll make a motion to adopt this as presented.

Mr. Barnes: Let's continue with the questions, and then we'll come back for the adoption of this. Ms. Dahl.

Ms. Dahl: I'm not quite sure where it says in here, and I think it's supposed to be under officers, the officers shall be elected annually at the first meeting of each school year. According to 1.7, they can only be officers for two years. Chair for two years, and then they have to go off. Vice Chair can be two years, and then move up to Chair. I don't see where that's laid out exactly in the policy. I'm sorry, in the By-Laws. It's in the Policy.

Mr. Jabouin: So, I tried to lay it out in Section Three. It's actually page four of the document. It's Article Three.

Ms. Dahl: Okay. Never mind. Thank you. I missed it.

Mr. Barnes: Okay. Dr. Walsh.

Dr. Lynch-Walsh: I know that you addressed Section Three and that you omitted the item about serving as Chair for two years. Basically, neither of those offices may be held by an advisory appointee. I'm reading from Policy 1.7, second page, number seven on Policy 1.7. Because there was so much confusion about this, at this Committee, I mean short of picking number seven up and dropping it into the By-Laws, that would clarify because unless I see it in writing, I'm not sure how it would get translated in here. Yeah, that is what you're talking about. Probably the most key thing in here was omitted in terms of being the revision being made. What's in here now, where it says the Chairperson and Vice Chairperson shall also serve a one-year term with the option of continuing in this position. That's just got to be struck because that is in no way, shape or form consistent. All members may be reappointed indefinitely. That's not relevant to the Chair and Vice Chair. No term limits shall be imposed. Also, not relevant.

Mr. Jabouin: Excuse me, Dr. Walsh. Are you reading from Article Three, Section Three?

Dr. Lynch-Walsh: I'm reading from Section Three on page three, which would be Article Three, correct. Which you did mention that you hadn't incorporated Policy. But I'm not comfortable approving this today without actually seeing it in writing, revised to be consistent with 1.7 on this particular point. Pretty much everything else in here, I can see that it's close enough or in the spirit of 1.7, doesn't conflict. I know you said you hadn't revised it, but for me, this is a key point in here, and it's one that other groups have been subjected to.

Mr. Jabouin: Just for clarification, you'd like to make sure that paragraph seven is clearly included in the proposal.

Dr. Lynch-Walsh: You can put the whole thing in its entirety. It's pretty clearly written in 1.7 thanks to Mr. Moquin. I believe he authored this back in 2014. So, it's very clear and you could just pick it up and plop it in there instead of that second paragraph. Then I would have no issue with it.

Mr. Barnes: Dr. Walsh, from 1.7, would you identify?

Dr. Lynch-Walsh: Number seven, from 1.7 says, "Officers of each School Board-Established Advisory Committee shall be elected by the membership described in rule A.4. At a minimum, each such advisory committee shall annually elect a Chair and Vice Chair. Neither of those offices may be held by an advisory committee appointee or a member for more than two consecutive years. After serving as its Chair for two years, an advisory committee, appointee, or member may not serve as an officer of that advisory committee for a period of at least two years. Badda bing, badda boom. Very clear. You just take that paragraph, strike the second paragraph in Section Three in the By-Laws, and you've got the intent of 1.7 explicitly written.

Mr. Jabouin: Mr. Vignola, were you able to catch what Dr. Walsh said?

Mr. Vignola: I did, and I was wondering if there was an easier way to do it, and that's simply to have the By-Laws reference that the service of officers shall be in accordance with the requirements of Section so and so of Policy 1.7.

Dr. Lynch Walsh: That would be, except that the problem was 1.7 has been in existence, and if you don't explicitly put it in here, this way, it's clear. It's clear because now you're requiring people to go review 1.7. Yes, in theory, that would be even simpler.

Ms. Dahl: That's even better. If 1.7 changes, you don't have to change the By-Laws.

Dr. Lynch-Walsh: Well, that's true, but they haven't done anything with 1.7. But then you could say the same for everything practically in here. It would be a very short set of By-Laws. Yeah, because you have a lot of things that are fairly explicit. I guess it's one way or the other. If you're going to be highly detailed in every other section, for God's sake, please be detailed on this particular paragraph because it's one that other groups have lived and died by.

Mr. Barnes: Ms. Fertig. Then, we will go to Mr. Mayersohn.

Ms. Fertig: I would like to suggest that [inaudible 00:46:14] Dr. Lynch-Walsh because she's not comfortable moving ahead with these today, that we do just exactly what Mr. Vignola suggested, and where possible, [inaudible] 1.7. That's the real issue, is that our By-Laws weren't compliant with 1.7. But, if it's in there and it says, "must comply with the 1.7" and the Board changes it, we're getting ready to see some changes on the Board. That could happen. That takes care of the whole issue and would maybe make it a little briefer. So, I'm going to suggest that we defer this item today to go back and make that change of making it compliant with 1.7 wherever appropriate. Also, to have seven meetings instead of five. So, I'd like a motion to defer.

Mr. Barnes: I'm not ready to entertain a motion yet. Mr. Mayersohn.

Mr. Mayersohn: Just a couple of things. In Article Three, Section One, but on the second page of it. A voting member must be present to vote. I remember at one point in time Dr. Mack spoke, you know, electronically. So, I just want to be clear that we're removing, in other words, you have to be present to be part of the meeting. So, I just want to make sure that we all have that understanding. The other thing, and I'll kind of defer to Mr. Vignola, on the requirement that we have ethics training. I have, as an elected official, I have ethics training. I require four hours. Whether or not that's acceptable because it says clearly here, School Board Policy training. Whether or not we could put or some other OIG training or whatever else that would suffice.

Mr. Vignola: I'm not certain of the reciprocity is available there. I believe they wanted some specific training that had been crafted for advisory committees. I know that the video that everyone is to watch was prepared specifically for advisory committees. So, the training, for example, that the Board Members receive in ethics and what have you, probably do the same statute that you're concerned about, is different, but actually what you're getting is more comprehensive in most ways. But I don't think it's crafted to allow acknowledgement of that other training in lieu of. It is very brief, by the way. It's nowhere the duration of what you have as an officer elsewhere.

Mr. Barnes: Mr. Barry.

Mr. Barry: Thank you. I draft stuff like this every day. So, you guys put a lot of effort into this, and it really shows. Well done. A couple little nits. There are some places in the articles that talk about sections. Section One, Section Two, Section Three. There are other articles that don't have section references, if letters. I'd make that consistent. There is also a couple of sections that start with a title. So, if you go to, let's just go to Article Three. Like Section One, it starts with voting. Section Two is Terms of Membership, and farther down, like Section Four, Section Five, they don't have titles. Again, I'd make them consistent. In the Article Three, Section Five ends with sentence, "This does not preclude members of the public from attending Audit Committee meetings." I don't think that's necessary. Article Three talks about Committee membership. How we vote. How we count. I don't know for that sentence, it seems like it's really out of place.

Mr. Jabouin: Which paragraph?

Mr. Barry: Article Three, Section Five. The last sentence. I'm not objecting to the public appearing, I just don't think it's appropriate there. My final comment would be that I agree we stick with the seven meetings per year. Thank you.

Mr. Barnes: Okay. Mr. De Meo.

Mr. De Meo: Just a few quick comments here. First, on Section One where it lists the objectives of the Audit Committee. Oftentimes Audit Committees are charged with evaluating the accounting staff and the auditing staff. I don't know if that's something this Committee wants to consider, but like public companies, an Audit Committee is required to make that evaluation. I don't know if that would be something that'd be useful, but I just wanted to point that out for some consideration, perhaps. Also, that just before Section Two, the last sentence from the previous section, "All extensions require the form for voting conflicts to be completed." Does that presume one has a conflict? I'm not clear what that means or why.

Mr. Vignola: Mr. Chair, may I address that?

Mr. Barnes: Please.

Mr. Vignola: Members of this Committee do not have the ability on a measure to decline to vote unless you have a voting conflict under the Code of Ethics. If you have a voting conflict, which is essentially whether a measure would go to your special private gain or loss. If you had such an interest on a measure, you're obliged under the ethics code to declare before the Committee what your conflict is, and that you'll be refraining from voting accordingly. The commission on ethics has a corresponding memorandum of voting conflict that needs to be filed with the party keeping the minutes within a certain number of days thereafter. If you are present, a vote needs to be registered for everyone who is at the meeting unless you indeed have a declared voting conflict. That's part of what in the ethics training, and it that goes through that as well.

Mr. De Meo: Then lastly, I can't find it, but I believe we are required to sign off somehow that we've had training and some other requirements. Are we going to be getting that information?

Mr. Jabouin: Yes. I have a link that I will forward to the Committee members that'll have the training information on there. We also have some of the forms here today that we'll try to get your signatures as far as a couple of those forms. If not, we will communicate with you on being able to get that shortly.

Mr. De Meo: Okay. Thank you

Mr. Barnes: Dr. Walsh.

Dr. Walsh: A couple other things. I do agree on keeping it seven meetings for the reasons already expressed. The training, there have been complaints when I've been at the Facilities Task Force meeting that you can no longer do the seven-minute version. You're subjected to the full 45 minutes, which is fine if you've never done it before, but if you've done it every year, if we're trying to discourage people from volunteering, if you guys would make some new videos, that would be great because then at least it's not stuff we haven't seen. I get 100 percent every time I do it because I've already memorized the answers basically. It's 45. So, is there a reason that the seven-minute version is no longer offered for people who have passed it the first time?

Mr. Vignola: I don't know that I'm familiar with the seven-minute version.

Mr. Barnes: Mr. Moquin may bring some clarity to that.

Mr. Moquin: I'll try to, and then I'll go back with staff to make sure it's working the way it's conceptually supposed to work. So, recognizing that there are a lot of individuals on our committees that are there year after year, we were cognizant of the fact that you wouldn't want to watch that 45-minute video over and over and over again because I know I wouldn't want to do that. So, the way that the training is supposed to work, is when you log in, as long as you use your same email address that you did from the last time, what should happen is it should launch a proficiency test where it simply asks you four or five simple questions. If you were able to demonstrate proficiency, that satisfies the training. If you don't demonstrate proficiency, it should relaunch the 45-minute video again for you. So, if that's not working, I can go back with staff to make sure it is.

Dr. Lynch-Walsh: We'll survey at the next Task Force meeting. We might actually just have them log in because that's the thing too, is we've iterated that it has to be the same email address.

Mr. Moquin: Correct.

Dr. Lynch Walsh: We've said that, but the impression I got the last time, is that even when they do that, it's not working properly.

Mr. Moquin: Well then, I'll go back with staff, and then make sure that that's working because the intent. Then also, just to follow up on a previous conversation, I probably will be looking at the policy again and maybe making some changes that are to make it more

practical. So, I agree that if you're taking or you have a requirement to take the four hours of ethics training, you shouldn't necessarily have to watch our 45-minute video. So, I'll try to work with Mr. Vignola to put in some appropriate language that acknowledges that, but then again, if you've already taken the training once, as long as you demonstrate the proficiency, you shouldn't have to watch it again.

Dr. Lynch-Walsh: Great. Then, my second issue, and this has been an ongoing issue, the District has a conflict of interest form that seems redundant because when you have an actual conflict of interest, you're supposed to complete form 8B saying you have voting conflict. I'm at a loss, and I'm glad we have Mr. Vignola here today because I can't understand the value that's being added by the School Board conflict of interest because you can't possibly see into the future and predict whether you're going to have a voting conflict unless you know exactly what issues are going to be before you on an advisory committee in advance. You certainly do know once you have the materials. I'm not sure. My bigger concern here is that once people complete this, if there should be a voting conflict, I'm not sure that every advisory's liaison is clear that the actual form the state cares about is not this one, but the state form, which is form 8B, which would then have you in compliance with the state statute.

Mr. Moquin: I haven't looked at it in a while, but I can tell you is when this first came out, there was a much more robust conflict form, and the feeling was that it was extremely onerous and intimidating for volunteers. So, we worked to draft a simpler one. The intent of the form is to, at the point that you're executing it, advising you don't have that, and then make you aware that should you have a conflict in the future, the very form you're speaking about, I think there was a link at one point to those forms, or they were attached as an exhibit so that if in the future you did have a conflict, then you filled out that form that the state cares about.

Mr. Barnes: Mrs. Fertig.

Ms. Fertig: Can I just follow up on that? The real thing here is making sure people comply to the state laws because that would be bad if they didn't. So, it seems to me that rather than any conflict form, that what you should do is have available in any of your meetings where it would actually pertain because you have a lot of support where it really doesn't pertain. Where it pertains that the liaison have the conflict form so that if someone is here, I've been on this Committee for 10 years and there's probably only been once or twice when I've done that, but the forms were always here. It just seems to me that those forms should be here with the liaison so the person could find them. What you're trying to do is comply with state law and prevent somebody voting. So, I agree. Why would you have an extra form. Have those forms available in any committee and make sure people understand that if they have a conflict, they're required to fill out the form before they don't vote.

Mr. Moquin: I agree. [Inaudible] usually exists because we had a practical situation where conflict existed. So, everything is an attempt to try to prohibit that from happening again. I'll work with Mr. Vignola. We just want to make sure, like you said, the intent is to comply with state law, and in the event at any point in time, an advisory committee member has a conflict with the vote that they need to fill out that form.

Ms. Fertig: Great, and I think that would save you a lot of work, too.

Dr. Lynch-Walsh: This is a lot of paper, and the thing is, isn't it part of the training that you have to fill out the conflict of interest form? So, if you've done the training, you are aware that this form exists. So, there should be a link, and it should be available at the meetings because that's the piece I'm not sure happens on a regular basis. If there were to ever be an actual voting conflict, the state compliance piece would happen. They are very good at the District compliance piece in terms of this form which creates so much paperwork. I don't know what they do with all of them every year because they're doing them diligently, but I don't know that the state compliance piece happens. So, I thank you. That would be great to have it.

Mr. Moquin: Well, like I said on the other issue, I'm looking to revisit 1.7 to do an update. It's been four years now. I'll meet with Mr. Vignola on that. Any chance we have to streamline bureaucracy, I'm in favor of that.

Mr. Vignola: The concept of having the liaison have the form, I understand that. But also, just to let you know, that form is available on the Florida Commission of Ethics website, along with all of their other forms. So, there's another source as well.

Mr. Barnes: Okay. Ms. Dahl, and then Mr. Mayersohn, and then back to Ms. Fertig.

Ms. Dahl: I'd really like for you to look at the time when you're supposed to be electing officers. We run into an issue every year on another committee I'm on because you're supposed to do a nominating the first month, and then elect the officers the next month. Sometimes that first meeting it's hard to get quorum or all the people are not sitting there. So, if we could look at how we do that, that would be great. Because we end up having issues with that. Thank you.

Mr. Barnes: Okay, Mr. Mayersohn.

Mr. Mayersohn: The other point that I just wanted to make is that in a Section Six, Meetings, when you go down to page seven, Section Nine talks about voting by roll call. Just to alert the Chair that we need to.

Mr. Barnes: I have some comments to that. Okay, Ms. Fertig.

Ms. Fertig: I'm just simply waiting to make the motion to defer.

Mr. Barnes: Well, I'm not...

Ms. Fertig: Just let me know when you're ready.

Mr. Vignola: I just wanted to note, I've heard a number of Committee members speak about the number of meetings, whether it should be seven or five. I just wanted to say that if you were to look at that provision, you'll note also that in Article Three, Section Two, they were talking about how many meetings a member could miss in a calendar year without being removed from the Committee. The number of meetings you're going to have in a year will have an impact on your calibration of what you put in Section Two of Article Three. I just wanted to make sure you have both of those in mind when you look at it. Thank you.



- Mr. Barnes: Okay. First of all, let me say that we're not going to be taking any official action on this item. What we need to do is capture your suggestions and make sure that the Office of the Chief Auditor would have those so he can institute them and get them to us so that at our next meeting we can take some official action on them. First of all, let me say that in the past, this Committee, and I kind of picked up on previous Chair, according to the By-Laws, when we vote, it should be by roll call. However, I believe, and maybe counsel can correct me, if I call for a motion, and it's unanimous, and there are no objections or nays, if I enter into the record that we have a nay from a Committee member, then we can move forward without an official roll call.
- Mr. Vignola: I would agree with that. As a corollary to the School Board meetings, for example, when the Board meets, it's really incumbent upon the Board member to make sure that their vote is properly counted, and they do voice votes. Generally, the Chair will note for the record, I have two nay votes from Board member X and Y. That sort of approach would work as well.
- Mr. Barnes: Right. So, that's one of the things that we would note. The other thing Mr. Barry brought up about the numbers and the letters corresponding, we will get some correction on that. I think, I don't know if it was Ms. Dahl or Ms. Fertig made note that those forms should be available. Ms. Fertig. The ethics forms or whatever it is we're doing, should be available at the meeting. So, if I arrive at the meeting on a particular day, and I know there is going to be something, I'll sign it right there. As Dr. Walsh said, we have no idea if we're going to have a conflict, but if we've reviewed the agenda, and we see what's there, once we arrived at the meeting, then you signed the form. So, that's another talking point. The other one is 1.7. I'm being correlated with what's in the By-Laws in terms of whether we're going to use the exact wording to move over or what. That's the other issue. So, I think what I'm hearing is that to make sure that 1.7 and what we have in the By-Laws are not in conflict with each other. Am I capturing that right. Dr. Walsh.
- Dr. Lynch-Walsh: Right. To make sure the By-Laws are not in conflict with 1.7, which Ms. Fertig suggested, stating in the By-Laws that whatever you put in there is in compliance, or whatever the wording needs to be, that it follows 1.7. It will be done in accordance with the provisions in 1.7. That way, should 1.7 change, it doesn't put the By-Laws out of compliance. Because, 1.7 trumps, that's the top. The only thing higher than 1.7 would be a Board Policy or a state statute.
- Mr. Barnes: Okay. And the other thing, I think we agree on the seven meetings. I like Ms. Fertig's idea, that we'll keep them there. If we decide that a meeting is not needed, we have that option rather than say we're going to be meeting five times and now we need to add one. So, we need to capture that. Mr. Moquin is going to take a look at the video and making sure that we can log on.
- So, what we're going to do, when we log on, once we get the link, and if there some issues, certainly you can also call the Chief Auditor and let him know that you experienced some problems. I think we check into that. So those are the items that I have captured and what we're going to ask the Chief Auditor to do is to put these in a written document, get them to us for our next meeting, prior to, so we can review them. If all is well, we will take some official action at our next meeting. Okay. We just finished with the Audit By-Laws, the black line. One of the things that I did since our

last meeting is, I reviewed a Board meeting that was dated Tuesday, August 22<sup>nd</sup>, 2017 in the morning at 10:05. Also, I reviewed a response from the School Board meeting Tuesday, September 5<sup>th</sup>, 2018 from Ms. Korn. One of the issues that we need to make sure as Committee members is that we understand the protocol in terms of getting information that we need.

There are two ways to get, from the Audit Committee perspective, in order for you to get an item that you would have a concern about to the Chief Auditor. If you have concerns that the Committee needs to address, please get them to me, and then I will forward them to the appropriate entity within the School Board. That would either be the Chief Auditor or the Superintendent, Mr. Runcie. What we need to make sure is that if there is a concern from this Committee, we talk about it as a Committee, and that we are in agreement that this is an item that the Audit Committee should look into.

What we need to make sure we are not doing is that we are requesting information of concern about an item that only a particular Committee member would have, and then when it comes up, the rest of us may be in the dark. So, what I'm asking for you to do, if there's a concern, definitely try to put it in writing. Get it to me prior to the meeting. I will direct it to the appropriate person within the District. In our case, it will be either the Chief Auditor or to Mr. Runcie. The reason why we are doing this, as per what we do, any item that appears on the agenda needs to get to us at least seven days before. So, when you receive your package, it has what we're going to be discussing. What happens is, if a particular Committee member has a concern, and if it does not go through this Committee, then we are kind of left in the dark when the Chief Auditor comes and says, I am given information based on a concern that a Committed member has. Then, the rest of us will say, well, where did this come from? Ms. Fertig.

Ms. Fertig: My concern, and I'm glad Mr. Vignola is here, I'm concerned from a standpoint of Sunshine that I would communicate something to you that could come before this body for a vote. So, what I would suggest, and I'm glad you're bringing this up because I think it's important that we all are in the loop on whatever there is. So, I guess I would suggest as an alternative that we direct our emails by a date certain if it's going to be on the next agenda to the Chief Auditor. Then, he would consult with you as Chair. I would be nervous consulting with you directly because of Sunshine.

Mr. Vignola: Well, thank you for the question because I was heading there.

Mr. Barnes: Basically, the discussion that we're having, when I looked at the transcript from the School Board, the members had the same issue that we're dealing with. Who do they direct their concerns to? They go directly to the Chief Auditor or they go to Mr. Runcie. It was a long dialogue. So, I am glad that counsel is here today. He will be able to tell us if there is a concern from a particular Committee member, what is the process?

Mr. Vignola: The general practice is, when a member of any advisory committee has a concern, an issue, that they direct it to the staff liaison to the advisory committee. The staff liaison will then assess where it best needs to be directed. It may be an administrative matter that needs input from particular division of the administration. It may be something that requires some guidance from the Office of General Counsel. So, the liaison would consult with our office to see if it is something that warrants a legal opinion. The

routing person for such individual Committee issues should be the liaison. That avoids the very concerns Ms. Fertig mentioned. The Sunshine Law has is an unusual thing in that if you and I are both Committee members, and I speak to an issue, there isn't a conflict yet. There isn't a Sunshine issue. But, when you respond to what I've said, that return volley is when you have the problem. By having these contacts goes to the liaison, we avoid the risk of that for the person who's receiving the information. It actually protects the Chair.

Mr. Barnes: Well that's great because what we're looking for here is clarity and direction. So, what I'm hearing now is it would not come to me, and in case of staff, it will be to our Chief Auditor. Now the other issue is that if Mrs. Fertig, for example, would send her concerns to the Chief Auditor, and he in turn takes a look at it and says, maybe I can respond to it or it be something that Mr. [inaudible]. My question would be, in preparation for the next meeting, how would the rest of us know that Ms. Fertig has made a concern to you?

Mr. Jabouin: It sounds like ultimately we need to get to the answer as far as whether or not an area gets audited or not, and who can request it. So, with the path that we're headed, if information is routed to me, I would evaluate it and then potentially liaise with the Chair and then possibly discuss it with the Superintendent. I meet with the Superintendent regularly. I believe that the Board has stated that whether or not something gets audited is dependent on whether a Board member themselves would bring that up at a Board meeting, and they would consult with the Superintendent with respect to that. Now, the Committee as a whole, as Mrs. Korn said after September 5<sup>th</sup> meeting, can also make a recommendation that an area be audited. Conceivably, if I set up the program correctly, and I'm doing my audit based on risk, the areas that I'm auditing should be in line with the areas that are of interest to you. There could be circumstances where I may not be qualified to do the work, or I may have other priorities related to the projects that I'm doing that I can't do it, and the Committee wants to make sure that it gets done.

Those are circumstances where an audit might be requested that just doesn't fall on my plate the way that's in line with you. I think ultimately, though, the audit requests to the Superintendent go from the Board members or the Committee as a whole. I'll get the information from the Committee, and I'll route it through those channels.

Mr. Barnes: Okay. Dr. Walsh.

Dr. Lynch-Walsh I think one of the related issues here is that how do you get agreement on whether a special analysis or a review gets voted on and approved by the Committee. Because in the past, like with the Parkland Modular Project, that was something when we were discussing the Audit Plan over a year ago that I asked for that to be an audit. Well, we never actually voted. Same issue with I think it's possible on the Sunpass thing. That might have gotten voted on. But there was no clear-cut motion vote on which items to add to the Audit Plan. So, actually to protect yourself, we would have to be clear because there may be things that you were looking into. So, the Parkland Modular Project is one that was brought up, never made it onto the Audit Plan formally. When you were asking about issues, I raised it as an issue because the first part of the problem was that I brought it up in the proper place, which was at an Audit Committee meeting when we were discussing potential items for an Audit Plan, and it went nowhere. I

brought it up again, and we didn't vote on it, so I'm not sure what the outcome was. It's still an issue. Then, I brought it up a second time, most recently.

Mr. Barnes: Ms. Fertig.

Ms. Fertig: So, my understanding has been, and again, Mr. Vignola, I'm glad you're here, has been that we as an Audit Committee can make recommendations for the Audit Plan, but it's the Board who sets that Audit Plan. Ultimately, our recommendations go to them, which is why I'm glad we're going to have very specific minutes. They see it, and they can choose to accept it as it is, or whatever, but they themselves have input into it because they have issues they want out of it. So, my understanding has always been that we make our recommendations, but ultimately, it's the Board who sets the Plan for the Auditor and the Superintendent. So, I don't know, I guess I'm asking you. We don't set the Plan.

Mr. Vignola: I can't say that I've looked into that, but this is an advisory body, so it makes recommendations and that would be consistent with what you've stated.

Mr. Barnes: Mr. Runcie.

Mr. Runcie: Thank you, Mr. Chair. So, the conversation that we had with the School Board at a Workshop is that the Board, as Ms. Fertig indicated, would collectively have a conversation around any particular topic. They would then direct the Superintendent to go and review and look into an audit, any particular item that they have consensus that they want to follow versus any individual Board member or Committee member just requesting audits because that can kind of get out of control. There needs to be some consensus on it. Especially when we recognize you only have so much bandwidth, and there are things that require prioritization. We would utilize that process to identify any items of real urgency that we need to take a look at above and beyond what's already been agreed to in the Audit Plan. That would be the process. That's what the Board had agreed upon.

Mr. Barnes: Dr. Walsh.

Dr. Lynch-Walsh: So, the question about, "How do you get agreement" also pertains particularly to item, under rules, under the Office of the Chief Auditor, Policy 1002.1, item G. So, it says, "Under the direction and supervision of the Chief Auditor, the department will carry out the following functions as directed in the annual Audit Plan." G says, "Perform special analysis and/or reviews requested by the Superintendent, the School Board as a whole, and/or the Audit Committee," which suggests that the Audit Committee as a whole can request that they perform a special analysis and/or review. My question is, how does that work? Do we vote on it? Do we have consensus? How is that one to be implemented for the Audit Committee?

We understand School Board as a whole would have to vote. The Superintendent is one person who can turn to the Chief Auditor and say, please do this special analysis, audit or whatever. But, in terms of this Committee, how does that item, item 1G, get implemented? How does the Audit Committee ask for a special analysis and/or review?

Mr. Vignola: It would be the same way anything else this Committee does. It would require a quorum present, and a vote by the majority.

Dr. Lynch-Walsh: Okay.

Mr. Barnes: Right. Mr. Mayersohn.

Mr. Mayersohn: I would just recommend because I'm hearing again how we get something audited or whatever it may be. I would recommend that when we go back and do the By-Laws, at the next meeting, we bring back some sort of guidelines or policy or whatever it may be that would delineate what our role is, how we bring something forward so that everybody is clear, and we all have the same direction. That's my comments.

Mr. Barnes: As a Committee, the question becomes then, do we have permission to add to the By-Laws? To me, this is more procedural. Let me see if I can capture. It's not really a problem, but it's more about making sure that this Committee as a whole are on the same page, and that where we're in agreement as to what we're doing. The Chief Auditor has outlined what he plans to do during this year, and as I said to him, it's very ambitious what he plans to do. One of the things that I said, I don't see timelines on how you plan to do it.

The staff would not be increased, and we didn't meet all our goals last year. So, all I'm saying is that as a Committee, we as a community, have the authority to request or investigate an issue that is of consensus to all of us. So, all I'm saying is that if there's a concern that you would have, it be directed to the Chief Auditor. He in turn will make a determination as to whether it will be audited or whether its research required, and he would get it to the appropriate staff member. Now, at some point in that process, we will receive information on that so that we will be prepared. When he does the agenda, if he decides that this is something that is going to be on the agenda, we will have the corresponding background information on it. So, all I'm saying is, as a Committee, you have a concern, you take it to the Chief Auditor. He will digest it and make sure it gets to the appropriate person. If it needs audited, he will make that determination. Dr. Walsh.

Dr. Lynch-Walsh: Okay, I think I may need to read this again because what this means to me, and that's to me, is that if there is an issue being discussed, and as a result of us discussing an issue, it becomes clear that we would like to see something audited, item 1G says, starting with number one, "Under the direction and supervision of the Chief Auditor, the department will carry out the following functions as directed in the annual Audit Plan." G specifically states, "Perform special analysis and/or reviews requested by," and it lists three entities that can make the request, "the Superintendent, the School Board as a whole, and/or the Audit Committee," which then further suggests that the Audit Committee can make a request. My question is, how do we do that? That's been asked, and Mr. Vignola said that we'd have quorum and have a vote of the majority. Mr. Mayersohn requested that it be put into the By-Laws. So, it isn't up to the Chief Auditor solely. If someone has a concern to determine whether or not they're going to audit it. If the group wants it audited, then according to 1G, that would be the vote. You would need to vote that something become an audit or a review or an analysis. That's what this says. If I'm wrong, Mr. Vignola can correct me.

Mr. Barnes: Mr. Runcie.

Mr. Runcie: I was going to say that's what that says very clearly. All three of those instances is that it can make a request. Ultimately, the Board will make a collective decision on whether we're going to have an audit or not. I may actually even make recommendations to them, and then we're going to do that. That's kind of delineating the bodies that can make a request, and I think we need some more clarification on how that works. I think that's what I'm hearing.

Mr. Barnes: Mr. Barry. Then Ms. Fertig.

Mr. Barry: I have no idea where any of this is coming from or what the reason is that we're having this discussion, but if it's about my Sunpass request, with all due respect, that request was made when we did the proposal for what the Audit Plan would be this following year. I said I'd be interested in seeing an audit of the Sunpass. But if we're having a conversation about my request for Sunpass, I hereby withdrawn it.

Mr. Barnes: Ms. Fertig.

Ms. Fertig: I just want to say just to kind of piggyback there, often when we're having an audit on something, we see something that we request further information on. To me, that's a different situation than what you're asking about. For the Audit Plan itself, we do make suggestions, we do bring forward things, but ultimately, it's been my experience, that the Board ultimately has to make that decision. I would think that anything that's contrary to that, you need to look at because in our By-Laws and everywhere in all of these policies, it starts with the fact that we are an advisory body. So, what we suggest is advisory in nature. Could we just get opinions on these and maybe move on? I think it's great you brought it up, and I'm just going to ask if we could just get a written answer on it and move on. Is that okay?

Mr. Barnes: What we're trying to bring clarity to is that Dr. Walsh says that on Section G, Perform Analysis and Reviews requested by the Superintendent and School Board as a whole and the Audit Committee, that's where I'm going. Whatever we do, it needs to be as a Committee, and I think we've already agreed that it would go to the Chief Auditor. Then, he would make a determination on it. Sometimes it's not an audit request, it's just for additional information. So, all I want to do is the protocol established, and the protocol right now is that if there's a concern from an Audit Committee member, they are to get it to the Chief Auditor, and he will take it from there. He would make sure that Committee members are aware of something that has been brought to him. Agreed.

Mr. Jabouin: To add to that, I would imagine that the Committee would make a vote at that time, and I would take that information to the Superintendent for processing for whether or not it goes in front of the Board.

Mr. Barnes: Okay. The thing that I read through the By-Laws and everything is I saw the word recommendation repeatedly and advisory. We are an advisory body. We make recommendations. We don't determine outcomes or anything. I'm going to move on to the Chief Auditor's Report. Number six.

Mr. Jabouin:

Thank you. So, I've just started my fourth month with the District. It's been a rather productive four months. I've tried to capture some of the different activities that I've done in the report in agenda item number six. Just to highlight a couple of the areas without reading everything that I wanted to point out, I wanted to mention that we are continuing to make progress on the hiring of the Facilities Audit Manager. I've gone through the interview process. I do have a recommendation that I'm working through the District on that. So, hopefully we'll be able to have an announcement on that at the next meeting in November. We were also able to hire my assistant, Michele Marquardt, who's here as well. We're continuing to recruit for two Inventory Specialist. So, the positions that were open in the org chart that I presented at the last meeting, we are proceeding with that. I have had a chance, at this time, to meet with all of the different Board members, as well as, different individuals throughout the District.

I spent a good amount of time with Mr. Bobadilla, as well as, Mr. Frank Girardi. I talk about some of those discussions that I've had there. We have engaged the Shaun Davis and Associates firm to assist us with some of the internal funds work that we need to do. We do have a report in this package, but due to a variety of different circumstances, we are behind in the work that we need to do as well. With the Property and Inventory Audits, there is also a report later on that. The Office of Strategy and Operations, SIM team, has committed to help us look through that process. There will be a variety of different Cabinet members that are going to look at that process so we can make the Property and Inventory process work better and have more controls for that.

One of the significant audits that are on our plate is the eventual audits that we will do on compliance with the Student Code of Conduct and the District's discipline policies. We are strategizing on how we're going to do that because that is a deliverable that we will do this year. We are working on the various aspects of the CAFR with Moore Stephens Lovelace. Shaun Davis' firm is also working on that. That is ongoing right now. The Auditor General is continuing their audits. They are almost done with their Operational Audit and will begin their Financial Audit shortly. Then, lastly, without necessarily going through the items that are on page four, I discussed at the beginning of this meeting about how ideally follow up would work and how I would incorporate it. The plan that I will prepare next year is going to be based on a risk assessment.

I want to be able to go through the District and look at quantitative data, as well as qualitative data. I also want to get some inputs from some key personnel as far as their vision of risk. So, I can come up with an audit universe of different audit subjects. Those could be departments, it could be processes, they could be contracts. How we're going to go about to look at them and identifying which are the riskiest ones. In theory, some of the concerns that the Committee has already discussed would potentially fall into the riskier ones, and there may actually be very little need to request the audits that we were talking about earlier. I do want to build that process up.

I am reviewing all of the responsibilities and expectations that are on our plate versus our headcount, trying to keep in mind the District's financial constraints. I will have a recommendation to the Board at an Audit Workshop at the end of this month that hopefully they will approve regarding how our headcount stacks up to our responsibilities. I am working on that. I had actually hoped to do that at the meeting on October 23<sup>rd</sup>. I'm working with the Chief of Staff and the Superintendent just to

make sure that it's in line with all that we need to do. The Committee's previous comments with respect to Information Systems reviews and Charter Schools reviews are all as part of my thinking as far as the head count assessments.

Obviously, all of the comments that were mentioned before from the Parkland modular, to the Sunpass, to Title One, those are all items that I think are worth processing by themselves because ultimately, regardless of the assessment that I do, there will only be so many audits that can be done. I want to make sure that we do have a robust audit program, but it needs to be practical. I have to build processes to how our team is functioning, how we're doing the audits, whether or not we're efficient, is there continuous improvement on our team? So, there's a lot of work to do. I'm glad that I'm here to do it. I think that in the four months that I've been here, I personally haven't done as much as I want to even though we have accomplished a lot. If you give me a little bit of latitude, I'll get all that in. That concludes my report.

Mr. Barnes: Ms. Fertig.

Ms. Fertig: Could you let us know when you go to the Board so we can come to support. Thank you.

Mr. Moquin: October 30<sup>th</sup>.

Mr. Barnes: Is that in reference to staffing?

Mr. Moquin: Yes.

Mr. Barnes: Okay. Dr. Walsh.

Dr. Lynch-Walsh: A couple of questions. On Facilities Audits on page two mentioned the inclusion of closeout audits in scope of RSM McGladrey and that RSM has responsibility to audit the Smart Bond projects. Have we received as a Committee the scope of work for RSM recently? I think we've gotten it in the past. So that's one question whether we can get that sort of a summary of what their scope of work is. Then, have they done an audit of the Smart Bond projects yet or is that upcoming?

Mr. Jabouin: So, there's a new environment that was discussed recently at a Board Workshop and the Bond Oversight Committee. Although I'm not too versed on the specifics of that, but the ultimate responsibility to review the Project Manager and the Smart Bonds is with RSM. My team would not be looking at those projects as we would focus mostly on maintenance contracts and the Physical Plant Operations department. The intent is that I will select one or two of the RSM projects. In order for me to do that, I would need to have more information to make that selection. So, I don't have that information right now, but obviously, I will need that in order to make the proper selections.

Dr. Lynch-Walsh: Okay. So, this is where I'm glad that I wear two hats because we've already asked for any other RSM audits through the Facilities Task Force because when this popped up, it occurred to me that the only RSM review of HEERY and Atkins was dated March 28, 2017. We haven't seen one, so I just thought perhaps they had brought them here, and I missed it. We're trying to get any more recent ones because of course, with everything that's transpired over the past three years, it would be very interesting to see



what RSM's evaluation of HEERY and Atkins performance might be. So, there's that. Then, as far as the Parkland modular project, in the spirit of Mr. Barry's a decision to pull the Sunpass Toll request, we're going to pursue that through the Facilities Task Force. There's usually more than one way to skin a cat, and in recognition of you not having a Facilities Audit Manager yet, and not knowing when they would be available to do that audit, and because we have very specific questions that we're looking to have answered, we'll just handle that through the Facilities Task Force. So, for instance, the projects are completed, but what's the budget to actual? How much was PPO's work involved? Did they recover money from the lawsuit that the District was involved in? Was there a budget shortfall, and where did that budget shortfall get reimbursed from if there were a shortfall?

These are all things that because they pertain directly to Facilities and it's something we've been tracking on the Facilities Task Force, we'll just pull that back. So, you can take that off your plate. That way that isn't something that's hanging out there. That's all I wanted to say on that.

Mr. Jabouin: Yes.

Dr. Lynch-Walsh: I just gave you less work, potentially.

Mr. Jabouin: I do want to say, though, it is important since the District has a process to review those areas that I don't re-review and duplicate what they're doing. I don't have enough knowledge right now on exactly what they're doing, but as I develop our audit program, I will know that some more. In my conversations with the Superintendent, as I mentioned, he and I agreed that a couple of their projects are worth looking at. I don't know how that would work out. There's a possibility that I might have a different opinion on some of their conclusions, or I may have the same opinion which will provide some assurance to that as well.

Dr. Lynch-Walsh: Right. Absolutely. I look forward to whatever projects you audit. I'm just saying in terms of Parkland and Heron Heights because there were very specific concerns raised a couple of years ago which they'll need to be answered, and because I know exactly what questions I'm looking to have answered. The fastest way seems to be to go through the Facilities Task Force. So that's what I'll do.

Mr. Barnes: Ms. Fertig.

Ms. Fertig: I hate to keep the belaboring process because that seems to be what we've been talking about for this whole meeting, but I'm just questioning what process you would have to go through the Facilities Task Force as opposed to the Audit Committee. Is that something you would anticipate doing on multiple issues because it seems like it sets up an outside group. I don't really want to belabor this at this meeting because we've already spent so much time, and we still have two issues, but I'd kind of like to know what the process is.

Dr. Lynch-Walsh: Well, we have liaisons there, too. We would just ask them, here are the questions that we need answered, and they would answer the questions. That's all, really, that there is to it. Instead of it being a full-blown audit. Because questions were raised two years ago, I brought it here so that we as volunteers on the Task Force wouldn't have to do

the work, but if that's what will go faster and make their lives easier and the Chief Auditor's office, then that's what we'll do. Remember, this was an issue that came through the Facilities Task Force.

Ms. Fertig: I guess I'm not questioning the specific issue. I'm questioning the future of where that would take us if every advisory committee was doing that, and how that would impact what we do? I'll leave it because I know we've had a lot of questions. I just would on process, if we could just clarify that in case it comes up. Thank you.

Mr. Barnes: Thank you Mary and Dr. Walsh. I think if we keep in mind what we have agreed on, and all the issues that Dr. Walsh brought up, give them to him. He would disseminate, get information back. We need to stay focused on what our job is to do here. We are an advisory recommendation committed based on the items that have been presented to us. If you have some concerns, if they're [inaudible] acknowledgeable, far beyond what some of the rest of us are in terms of what goes on in the District. So, that's why it's important that we stay focused and get it and we'll move on. Let's move on to the Internal Audit, number seven.

Mr. Mayersohn: I was just going to say on the eventual audit of the District Code of Conduct and Compliance with Student Disciplinary policies, when you develop that strategy and details, if you could just share that with us because that to me is a complex issue. I'm not sure how you would complete an Operational Audit of such a huge district and just so many moving parts.

Mr. Jabouin: So, if I may respond to that. I think it is a very big project, and there are a lot of different pieces to it. I think what I will do is create a strategy where certain portions will be done on year one. Certain portions will be done year two and year three. So, what would make sense for year one now is there is a reporting that's done to the state. Probably corroborate that. There's also certain portions of it where discipline is determined and there are supposed to be follow-up items as a result of that. Make sure that that gets done, whereas maybe some of the systems part, that gets done at a future time. It ultimately has to be a strategy where the whole thing cannot be reviewed, but the significant pieces we would review under year one.

Mr. Mayersohn: Right. And I would just caution you on, again, as you move forward with that, having a detail and explanation because again, sometimes with SESIR, what's reported to the state can kind of give a different lens of what might be going on in the District or somewhere else or even to the point of the community, what incidents are taking place there. So, I know it's a huge undertaking, but I just want to be cautious that we do it right and do it succinctly and do it the best way possible.

Mr. Barnes: Okay. I'm going to move to item number seven, Internal Audit Report.

Mr. Jabouin: Thank you. Agenda item number seven is the standard Internal Audit Report. We do Internal Funds. This audit was managed by Ann Conway. Thirty-two schools were reviewed. So, we took a look at the accounts, the sub accounts, all the related activities that flows through from the different classes, the athletic activities and so forth. Just ensure that there was compliance with District policies and procedures. While we're there, we also take a look at all types of activities that are going on just to make sure that all that is going on is in line with the expectations.

I am happy to report, and Dr. Wanza is here, that of the 32 schools that we reviewed, there were no exceptions. Dr. Wanza attends these meetings and she liaises with her Directors and her Principals to ensure that the responses to any findings that we may have are taken care of as well. Just in summary, there are no exceptions and there are no findings in this report.

Mr. Barnes: Okay. Questions from the Committee. Mr. Mayersohn.

Mr. Mayersohn: I'm going to channel Dr. Mack. Motion to transmit.

Dr. Lynch-Walsh: I was just going say, great job Ms. Conway.

Mr. Barnes: We have motion. Do we have a second?

Mr. Barry: Second.

Mr. Barnes: [Inaudible] that we transmit the Internal Audit report of selective schools to the Board. All in favor of the motion signify by saying aye.

Committee: Aye.

Mr. Barnes: Opposers have the same right. Motion passes. Internal Audit, Property and Inventory, selected schools.

Mr. Jabouin: This is also one of the standards audits that we typically produce on Property and Inventory. We reviewed 14 locations. There were 11 schools and three departments. The audit was managed by Ali Arcese and her team. There were also no exceptions on this audit as well. It is important to note, the last time that we reported on this, 27 schools were looked at and there were five exceptions. Prior to that, there had been a history of exceptions, and what we recognized at that time was the need to look at the process. I am grateful for Mr. Woods, who has a left, and his team, the SIM team, will commence a process review that will begin in November. There will be participation from different cabinet members such as Dr. Wanza and Ms. Marte and Ms. Brown and Mr. Hunter, and Mr. Bobadilla.

We're going to take a look at that process. It is important that we do because as part of the headcount assessment that I'm performing, I've come to the understanding that even though we do a good amount of these Property and Inventory audits, we're not covering the number that we're supposed to. We typically cover about 70 departments a year when there's about 404 required areas if you add the schools and the department. It's important that we look at that process and definitely make it a better process so that the audits can be done better. It requires a look up and down. It is something that even though this audit went well, it's important to recognize whether or not the process works. It's possible that they went well just because of luck, but we have to look at that process, and we will. Nevertheless, it is obviously important to recognize the good work and this audit as well as the good results. It's primarily driven from the leadership of that area and this audit and the commitment to improve the process.

Mr. Barnes: Yes. We'll let the record reflect that we oftentimes commend Dr. Wanza for the excellent job they're doing and at the school level for all of our schools, but particularly

those high schools who are burdened with an enormous responsibility of trying to make sure things are done according to policy. I need a Motion to transmit the Internal...go ahead.

Mr. Mayersohn: I just have a follow up. First of all, Dr. Wanza, I want to thank you. No exceptions. But the one thing that I just want to follow up, which I spoke to the Chief Auditor about, is if you can delineate so the schools know again in the semiannual audit, we've seen some of them where they may have not done their semiannual audits, just some kind of a mark of a date expectation. When you receive it, then you'll know that they've completed what their task is. So, if it's marked, for example, I'm just throwing out a school, Margate Middle, their next semiannual audit should be completed by such and such a date.

Dr. Wanza: When school started, we had an operational meeting in July. The first semester semiannual audit, the results and findings and action steps are due to my office by December 14<sup>th</sup>. The second semester, I believe the date is May 31st.

Mr. Mayersohn: Thank you.

Dr. Wanza: You're welcome.

Mr. Barnes: Okay. We have a Motion and a second to transmit the Internal Audit Reports.

Ms. Fertig: So moved.

Mr. Mayersohn: Second.

Mr. Barnes: [Inaudible] second that we submit the Internal Audit Report for Property and Inventory. All in favor of the Motion signify by saying aye.

Committee: Aye.

Mr. Barnes: Opposers have the same right. Done. We have covered our assigned agenda items for today, and I need a Motion to adjourn.

Mr. Mayersohn: So moved.

Mr. Barnes: Alright. Consider us adjourned. [2:27 PM]