



Duval County Public Schools

October 28, 2013, Board Audit Committee Meeting

Mr. Fred "Fel" Lee, Chairman
Ms. Becki Couch, Vice-Chairman
Mr. Jacon Fischer
Ms. Cheryl Grymes
Dr. Constance S. Hall
Ms. Ashley Smith Juarez
Mr. Ms. Paula D. Wright
Dr. Nikolai Vitti, Superintendent

ATTENDANCE AT THIS BOARD AUDIT COMMITTEE MEETING: All Board Members were present, with the exception of Ms. Ashley Smith Juarez and Mr. Jason Fischer. Dr. Nikolai Vitti, Superintendent, and Ms. Karen Chastain, Chief of Legal Services, were also present.

Call Meeting To Order

[CALL MEETING TO ORDER](#)

Minutes:

The Chairman called the Board Audit Committee Meeting to order at 2:04 p.m.

Items To Be Discussed

[1. GOVERNANCE](#)

Minutes:

The following Governance items were discussed:

- Logo - The Superintendent asked the Board to provide direction on the new logo for the school system. After discussion, it was decided to use the one that reads "Duval Public Schools." A copy of the suggested logos, along with results from surveying other Districts on the use of the word "Public," are attached to the Minutes.
- Textbook Purchase - The Superintendent discussed an item he was adding to the November 5, 2013, Agenda, on textbook purchase. This purchase is to cover the increase in enrollment and the shift in class size. The funding will be taken out of General Revenue funds. The Chairman asked what we were doing in the interim. Dr. Vitti indicated that teachers were borrowing books, making copies of materials, or teaching without the book. All present were in agreement with proceeding with the purchase.
- IT Positions - The Superintendent shared information with the Board regarding the conversion of contracted positions in IT to full time employees. It is estimated that the District will save \$1.6 million. Most of the contractors have worked for the District 6 years or more, so it makes sense to convert these services to full time employees. They will be placed on the Supervisors' salary schedule, Levels 8, 9, and 10. Chairman Lee asked that the Superintendent reach out to each Board member to see their comfort level with this move. The job descriptions and minimum qualifications are scheduled to be included on the November 5, 2013, Agenda.

Speakers:

Mr. Fred "Fel" Lee, Board Chairman
 Dr. Nikolai Vitti, Superintendent
 Ms. Becki Couch, Board Member
 Ms. Paula D. Wright, Board Member
 Ms. Cheryl Grymes, Board Member
 Dr. Constance S. Hall, Board Member

2. RELEASED AUDIT REPORTS

Minutes:

Ms. Begley, Board Internal Auditor, shared that the FEFP audit was sent to them last week. She asked the Board if they had any questions. We have 30 days to respond to that audit. A schedule of audits was distributed to the Board, a copy of which is attached to the Minutes.

Speakers:

Mr. Fred "Fel" Lee, Board Chairman
 Ms. Michelle Begley, Board Internal Auditor
 Dr. Nikolai Vitti, Superintendent
 Ms. Becki Couch, Board Member
 Ms. Paula D. Wright, Board Member

Ms. Cheryl Grymes, Board Member
Dr. Constance S. Hall, Board Member

3. AUDITOR GENERAL REPORT

Minutes:

The Auditor General Report was discussed with the Board. The Chairman called on Ms. Michelle Begley, Board Internal Auditor. Ms. Begley deferred to the Superintendent to start the presentation.

The Superintendent reviewed a chart which outlined the areas of concern. A copy is attached to the Minutes. All of the items may not appear in the final Audit Report. Areas questioned included the following:

- Florida School Recognition Program Bonuses
- Attendance and Leave Records
- Purchasing Cards
- Electronic Funds Transfer
- E-Payable Rebate - Federal Awards and Local Capital Improvement Millage
- Charter School Monitoring
- Consultant Agreements - Purchasing
- Monthly Board Reports - Purchasing
- Consultant Agreements - IT
- Consultant Agreements - Business
- Consultant Agreements - Alternative Education and Behavior Support
- Relocatable Classroom Buildings
- Facilities Management
- Construction Administration
- Vehicle Maintenance
- Schultz Center Operating Agreement - Monitoring
- Personnel Activities - Child Nutrition
- Teacher Incentive Fund Program
- Personnel Activities - Federal Awards
- ESOL Out-of-Field Training
- IT - 4 areas

Ms. Begley shared the following, some of which were in response to questions from the Board:

- If the same concern is repeated in 3 audits, it is then reported to the Legislature. The items that could possibly be repeated for a 3rd time include Charter Schools, Schultz Center, and Construction services.
- Pay Level 99 was also questioned by the auditors. The Superintendent shared that this was a pass through for DOE, and he was considering not doing this next year. Board Members who do not take their full salary are also placed on Level

99.

- Other audit memorandums received and discussed during the Exit Conference included collection and use of Social Security numbers and one on new hires qualifications. Neither of these are expected to be in the final report. Another memorandum addressed the former Superintendent's contract. His sick leave was not paid out in the right percentage, and we owe him money.
- Findings of concern would be those that would require we pay back money.
- The auditors use the P Card handbook when looking at that area, so staff may want to consider revisiting the manual.
- The construction findings were similar to findings for other buildings in the past.
- The auditors were very complimentary to Facilities and Maintenance. The ACE process was a major compliment from the auditor.

Wrap up discussion:

- Staff will monitor the findings to resolve.
- The Superintendent will provide an update at the next Audit Committee Meeting.
- Some policy changes may be in order.
- Vice-Chairman Couch asked that we use the red, yellow, green system for showing progress on all findings. The rest of the Board was in agreement with this suggestion.
- Areas that could involve having to pay back funds include: those areas involving Federal dollars; personnel activities; teacher incentive program; and the E-Payable rate

Speakers:

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Dr. Nikolai Vitti, Superintendent
Ms. Becki Couch, Board Member
Ms. Paula D. Wright, Board Member
Ms. Cheryl Grymes, Board Member
Dr. Constance S. Hall, Board Member

4. INTERNAL ADUTOR DUTIES

Minutes:

The Board Oversight Calendar was discussed. Ms. Michelle Begley, Board Internal Auditor, updated this document at the end of August, but has not received feedback on how often the Board would like to be updated, and how to proceed with follow up on the Calendar. All agreed to a monthly update. The update would come a few days after the end of each month. The Board's Sharepoint page will be used to house the document and the updates. Until the Sharepoint page is up and running, the updates

will be e-mailed to the Board. The Superintendent indicated that his Chief of Staff was the point person for Ms. Begley to work with on the Oversight Calendar.

The Board Internal Auditor position was discussed. Ms. Begley had recommended changes to the job description, but no decision has been made by the Board to date. An evaluation form was also discussed. Chairman Lee asked Ms. Begley to obtain evaluations from other Districts with a similar position. Ms. Karen Chastain, Chief of Legal Services, to obtain any policies addressing similar positions in other Districts. They will bring their findings back to the Board in the next 30 days. The evaluation instrument will be used to develop a job description. The Board will then consider whether to develop a policy, or use a Internal Audit Charter. Ms. Begley has provided a suggested Charter in the past for review.

Speakers:

Mr. Fred "Fel" Lee, Board Chairman
Ms. Michelle Begley, Board Internal Auditor
Ms. Becki Couch, Board Member
Ms. Paula D. Wright, Board Member
Ms. Cheryl Grymes, Board Member
Dr. Constance S. Hall, Board Member
Ms. Karen Chastain, Chief of Legal Services

Adjournment

ADJOURNMENT

Minutes:

The Chairman adjourned the Board Audit Committee Meeting at 4:44 p.m.

BSC

Superintendent

Chairman