Meeting Minutes

Duval County Public Schools

May 18, 2023, Audit Advisory Committee/Duval County School Board Joint Meeting

Dr. Kelly Coker, Chairman
Ms. Cindy Pearson, Vice-Chairman
Ms. April A. Carney
Ms. Lori Hershey
Mr. Warren A. Jones
Ms. Charlotte D. Joyce
Mr. Darryl Willie
Dr. Diana Greene, Superintendent

ATTENDANCE AT THIS MEETING OF THE DUVAL COUNTY SCHOOL BOARD: All Board Members were present except Chairman Dr. Kelly Coker and Board Members Lori Hershey, and Warren A. Jones. Dr. Diana Greene, Superintendent, and Mr. Ray Poole, Office of General Counsel, were also present.

Call Meeting to Order

The meeting was called to order at 11:08 a.m.

Committee Members Present:

- Paul Numbers, Jr., (Chair)
- Steven Apple
- Dan Edelman
- Mark Sizemore
- Monique Thompson
- LaSonja Williams

1. APPROVAL OF COMMITTEE MEMBER PARTICIPATION VIA INTERACTIVE VIDEO/TELEPHONE SYSTEMS

Motion:
That the Audit Advisory Committee approve the participation of Committee Member Steven Apple in the May 18, 2023, Audit Advisory Committee Meeting via Interactive Video and/or telephone systems.

Vote Results:
Motion: Dan Edelman
Second: Mark Sizemore

PASSED- 5-0

Aye:
Paul Numbers, Jr.
Dan Edelman
Mark Sizemore
Monique Thompson
LaSonja Williams

Nay:
None

Approval of Agenda

1. APPROVAL OF MAY 18, 2023, AGENDA

Motion:
That the Audit Advisory Committee approve the May 18, 2023 , agenda as submitted on May 11, 2023.

Vote Results:
Motion: Monique Thompson
Second: LaSonja Williams

PASSED 6-0

Aye:
Steven Apple
Paul Numbers, Jr.
Dan Edelman
LaSonja Williams
Monique Thompson
Mark Sizemore

Nay:
None

Public Comment

None

Items to be Discussed

1. ESTABLISHING NORMS

- Board Member Joyce shared questions that some Board Members had as to how they should communicate with Board Members and whether they could only communicate with the Board Member that appointed them to the Audit Advisory Committee (AAC) or are they able to communicate with other Board Members as well without violating Sunshine Laws.
- It was established by Ray Poole, Office of General Counsel (OGC) the types of communication that are allowed between the Committee Members and Board Members to provide clarification to everyone. He also shared scenarios in which the AAC members and Board Members would need to

be cautious about to ensure Sunshine Laws are not being violated.

- Lenia Blades, Internal Board Auditor (IBA), shared with everyone that the current information provided to the AAC and Board Members was different from that of the information shared with everyone previously.
- As for how the AAC would get information from the district within 14 days, per policy, there were no questions or discussion on this item.
- Discussion about how often Board Members would like to receive information from the AAC members.
- Various Board Members shared their preferences as to the meeting frequencies and the types of meeting in which the AAC should present to provide transparency.
- Policy 2.26 IV(B)(11) as it relates to the AAC presented during board meetings.
- The need for time for Board Members to ask questions about things the AAC is working on.
- Concise quarterly report.
- Ensuring Board Members are receiving the minutes.
- The importance of providing reports and transparency to the public.
- Suggestions for frequency of joint meetings.
- Two functions of the AAC- Auditing and Finance and being able to provide tools to be used during the District's budget planning.
- Timeframe for providing information to assist with the District's budget planning.
- AAC meetings are not livestreamed and no laws are violated by not doing so as it does not have an effect on compliance.
- Pros and Cons of livestreaming or not livestreaming.
- All AAC meetings are open to the public.
- Establishing timeliness of response to independent requests from Board Members.
- Opinions were shared about the nature of the committee changing from the original start of the committee.
- Information shared concerning the Florida School Boards Association (FSBA) Finance 2.0 Forum.
- Changing the name of the committee to reflect the scope of the work that the AAC is currently doing.
- Establishing the streams of work.
- Correct insight for answering questions.
- Later discussions needed for meeting frequencies.
- Timeframe for advance notice of meetings that may be needed.
- Part of the work being done by AAC should be done by District staff on a regular basis.
- Suggestions for financial reports to be made more reader friendly for the Board Members.
- When Board Members have specific questions or requests, they should go to their specific board member who they represent. If there is a need for collective reasoning, then it should be brought to the committee.

2. AAC CHAIR REPORT - FINANCE SUBCOMMITTEE AND EVALUATION SUBCOMMITTEE PRESENTATIONS

Paul Numbers, AAC Chair, shared a summary of professional experiences in which the committee members of the AAC have, including that the committee members are very diverse and talented. He shared that the committee was created to assist the Board Members.
Discussion continued on the following:

- Policy updates were made for continuity.

- Timeliness of communication
- The AAC is trying to understand the Duval County Public Schools system to get a better handle on audits and financials.
- Quarterly meetings are not enough.
- Major IBA activities are included in the report (see attached).
- The structure of the IBA position.

Ms. Blades joined the discussion, sharing information about the following:

- Major Highlights concerning transparency, The Auditor General Audits and Findings, Operational and Staff Turnover.
- The AAC was very impressed with the audits and commended the district staff for doing a good job.

The meeting recessed at 11:57 a.m.
The meeting reconvened at 12:09 p.m.

Dan Edelman, AAC member, presented to the Board a high level budget analysis summary for Duval County Public Schools (DCPS) in comparison to selected school districts in Florida (see attached). The presentation and discussion included the following:

- Some staff only use a variation of the report to assist them with their daily functions.
- The report focused on only 3 funds in comparison to 6 other districts.
- Most significant observations.
- Duval's revenue per student is 16% lower than the revenue for other districts.
- If revenue per student is below the average, then the expenditure per student will be below the average as well.
- Duval County spends double the average on Administrative Technology services.
- Other expenditure percentages were highlighted on page 4 of the handout shared.
- Differences in how certain districts classify their expenditures.
- No analysis has been performed by the committee to find out why there are differences in Duval's budget as it relates to the districts compared to.
- The Board shared the analysis was helpful to the Board.
- Next steps after being given the analysis.
- Suggestions that the DCPS budget department should be creating this type of analysis.
- If a Board Member does not understand the explanation of the variance, then they should speak to the Board Auditor.
- Variances are seen during the budget process and should be explained and addressed through the budget process. The way to change it is to address or explain it.
- Reports need to be provided to the Board that are precise and useful.
- Board Members do not know what the percentages mean.
- The Board was reminded that they have a management calendar for workshops, and it was recommended to add the items that have variances to the calendar.
- There is a required minimum reserve. The district is moving closer to the minimum reserve, which raises questions about how long the district will suspend, how the district will get out of it, and are there any projections.
- Elementary and Secondary School Emergency Relief (ESSER) funds and the effect it will have on the district's budget when it is no longer available.
- The district has been cognizant of the spending when it comes to the ESSER Funds as the district is

aware that it is going away.

- Dr. Greene reminded the Board of the presentations shared at the April Board Meeting and shared information concerning unfortunate trends shared with the Board previously.
- The Board will need to make decisions as to where cuts will have to be made in the next few years.
- The District is reviewing enrollment and how to right size.
- Duval's funding is not on the same level as other districts and there are some compounding issues, but the Finance department is working hard to get in front of it.
- An explanation was requested concerning the percentage for Facilities Acquisition and Construction.
- The budget analysis presented was from the final budget that will be approved in September and the analysis did not include transfers. Some things were not included in the budget analysis.
- Some funds can only be spent on specific categories.
- Question around efficient management.
- Appreciation was shared for Mr. Edelman's presentation.

Monique Thompson, AAC Member shared a presentation from the Evaluation Subcommittee (see attached). The presentation and discussion included the following:

- The subcommittee reviewed the evaluation metrics.
- The current IBA role is set up for just one person but there is no checks and balances to ensure everything is being covered.
- An outline of everything involved in completing a full audit.
- Standards for how to sample and any high risk areas require more samples.
- The attachment provided has 0 exceptions, but when there are exceptions, then the audit expands if something doesn't fit the steps of what the audit should be.
- An explanation of the Internal Board Auditor (IBA) example was provided (see attached) .
- Other school districts were reviewed, showing all of the audit functions under the IBA to help with segregation of duties. This facilitates independence and keeps communication clear.
- The contract set up for the IBA position should be changed to provide independence.
- Making sure the metrics within the IBA Evaluation summary speaks to the work that is currently being done.
- Suggestions of changes were made to some items included in the IBA year-end evaluation summary.
- Explanations were given on why some suggestions were made about items that were taken off. Some items were thought to not be the work of the IBA.
- Implementation of an IBA satisfactory survey.
- The District and Departmental Initiatives/Projects were explained and examples were given to provide clarity.
- This tool allows the Board to get updates and see what is going on. It also allows the Board to tap into the metrics to see what is going on and get quick updates for any external audits.
- Information on how much schools are spending on audits.

- Completed reviews for other districts.
- IBA Structure for other districts.
- Appreciation was shared for the amazing work done by the subcommittees for the Board's future consideration.

Steven Apple left the meeting at 1:00 p.m.

3. REFLECTION - FUTURE GOALS SETTING ACTIVITY

No discussion.

4. POLICY 2.38 REVISION (ADDITIONAL 1-MILL OVERSIGHT)

Sonita Thompson, Chief of Staff, shared a copy of the March 2023 approved Resolution with the Board and Committee members pointing out the specific language revolving around "the Audit Advisory Committee providing oversight of all district budgets, including the 1 mill referendum, to ensure appropriate spending, and report findings to the school board and public". Discussion continued on the following:

- Committee members are willing to do what they are supposed to do based upon the signed resolution.
- Which committee would best to handle the oversight of the funds from the referendum?
- If it is not handled by the AAC, then it would be a deviation from what is in policy.
- Board Members were encouraged to speak with OGC to find out their options.
- An explanation of the 1 Mill Increase Funding distribution slide was given (see attached).
- The largest amount of funds that the AAC would oversee would be salary.
- The smallest portion of the funds is Arts/Athletics.
- The monitoring of the funds are extensive.
- Limitations of projects that can be done as it relates to Arts/Athletics.
- If more funds are needed in these areas again, then the District would have to ask the public to vote on it again.
- Suggestions for promoting to the public what the current 1 mill funds are being spent on.
- An explanation was read to the Committee to provide clarity about the specifics of what the committee would be responsible for.

Mr. Numbers shared appreciation for the explanation shared with the committee concerning the signed resolution and the responsibility of the committee as it relates to the oversight of the 1 Mill.

Board Member Joyce shared with the Board that since time did not allow for more discussion on the meeting frequencies, she will get with Dr. Coker so that discussion can take place during a Board Workshop.

The next AAC meeting will be May 25, 2023 at 11:00 a.m.

Mr. Numbers and Board Member Joyce thanked everyone for their time, effort and work.

Adjournment

1. ADJOURNMENT

The meeting was adjourned at 1:21 p.m.

MA

Superintendent	Chairman