DUVAL COUNTY
PUBLIC SCHOOLS

Meeting Minutes
Duval County Public Schools

JANUARY 12, 2023, AUDIT ADVISORY COMMITTEE MEETING

Committee Members Present: Chair, Paul Numbers, Jr., Vice Chair, Julia Hann, Steven Apple, Dan Edelman, Mindy Menzel, Monique Thompson, LaSonja Williams. Duval County School Board Member Chair, Dr. Kelly Coker (ex officio non-voting member).

Committee Members Absent: None

Board Members Present: April A. Carney, Charlotte D. Joyce, Cindy Pearson, Darryl Willie

Call Meeting to Order

Chair, Mr. Paul Numbers, called the meeting to order at 11:01 a.m.

Mr. Numbers welcomed the new non-voting, ex-officio member, current Duval County School Board Chair, Dr. Kelly Coker. Mr. Numbers acknowledged that he would give her time later in the meeting to share information about herself as she stepped out of the meeting for a few minutes.

APPROVAL OF THE JANUARY 12, 2023, AGENDA

Motion:
That the Audit Advisory Committee approve the January 12, 2023, agenda as submitted on January 6, 2023.

Vote Results:
Motion: Julia Hann
Second: LaSonja Williams

PASSED: 6-0

PUBLIC COMMENTS

No public comments

APPROVAL OF MINUTES – NOVEMBER 4, 2022

Motion:
That the Audit Advisory Committee approve the meeting minutes of November 4, 2022.

Vote Results:
Motion: LaSonja Williams
Second: Julia Hann

PASSED: 6-0

- The budget department is not the one that completes the application for the Grant money but the budget department gets a copy of the award letter and the analyst upload the funds into the system but there are project managers that manage the grant funds.
- The budget department ensures that the district gets all that is required out of the grants, and they also ensure that the district complies with all rules and regulations of the grant.
- 80 positions are staffed in the Finance department and 17 vacancies which means about 20% of finance positions are vacant.
- Mrs. Begley explained the implications to the committee sharing that people must be assigned to the vacant positions who can perform a work balancing act and some of the positions are union positions.
- Major implications of some positions to the district.
- Major risk to the district if there is a failure.
- December agenda item passed to assist with bringing audits up to date.
- The Duval County School Board is monitoring to ensure that principals are given the tools to do their jobs.
- There is a shrinking pool of people going into the finance field, lots of competition and those that are applying for the positions sometimes do not have the correct qualifications for the job or they are offered more money or the opportunity to work from home with another company.
- Finance vacancies have decreased from 21 to 17.
- Departments that process payroll and payments have few vacancies.
- Operational areas that are not audited on a normal cycle poses a great risk. There is a need for someone to ensure grants have the proper documents and that the procurement process is being audited.
- The district is required to have an audit every year. The auditor general comes every 3 years per statute, and they look at everything. During the off years, the district has a private Certified Public Accountant (CPA) that performs an audit. All audits are posted.
- There are processes in place due to the vacancies in the Finance department when it comes to worker's compensation and risk management as every area is not audited externally.
- There is a national issue with finding quality help, but the district should address the affects this has on the district.
- Information discussed during January Board Workshop about finding quality help was shared.
- The Human Resource department being creative to find talent to fill the vacant finance positions.
- Charlotte and Washington, DC were 2 of the districts that were suggested for comparison, but they did not have what was needed for the comparison.
- Averages included the groups like Cleveland where subcategories are not reported but the major categories are reported.
- The majority spending funds are in Construction.
- The decision to use Cleveland, Dallas and Detroit for comparison was made through consultation with Board Members.
- Mr. Edelman questioned the use of Cleveland data due to insufficient data for comparison and suggested to group all the instructional together to get an overall comparison.
- He recalled to the committee communication about refining the data to provide an explanation for the Board Members.
- Inquired of Committee Members that would like to work with Ms. Begley to refine the data to provide a document that is useful to the Board Members.

AUDIT UPDATE

Ms. Lenia Blades, Internal Board Auditor, shared a PowerPoint with the committee on audit updates (see attached). She also shared with them that she will have an overview of the committee's specific responsibilities as it relates to audits and how it connects to the policy. The committee agreed to move past the school internal audits overview as Mrs. Begley had already covered that earlier in her District Finance Update Presentation.

EXTERNAL AUDIT DISCUSSION

Ms. Lenia Blades and the committee discussed the following:

- 4 audit findings, Auditor General corrective action due dates and what would happen if the district does not comply.
- The committee was only interested in discussing finding #4 and suggested that a timeline be placed on the corrective action to provide accountability.
- Ex-officio non-voting member, Dr. Kelly Coker, shared feedback with the committee on how the user access privileges are issued.
- Judgement calls are made as to who gets access to sensitive information.
- The Audit Advisory Committee can request the process for what happens with audit findings.
- Mrs. Sonita Thompson, Chief of Staff shared feedback with the committee members on how the audit issues reached the Superintendent's level due to the need for corrective action to be implemented.
- Ms. Blades shared with the committee that she will be sharing information from the quarterly report on the audit findings and that she monitors to ensure the district responds with a corrective action plan and that it is being implemented.
- The Auditor General Reports monitor repeat findings.
- Not relying on an outside auditor to identify repeat findings.
- Committee members would like to know when the audits are complete. It was suggested that the information be included with other documentation that the committee members are already receiving.
- Audits will be listed on the quarterly report.
- Additional matters within the operational report were shared during the exit interview in which was not a reportable finding but just to bring to the attention of the district. Those items were school safety, charter terminations, financial disclosure forms, employees doing business with the district resulting in conflict of interest, Florida Department of Education S-representative issue relating to instruction and Construction Management payments as they were supported by subcontractors' invoices.
- Inquiries from the committee about how the conflict of interest made it through the procurement process.
- Subcontractor agreements were not apart of the record. Ensuring that everything was verified with the invoice. The district had processes and safeguards in place therefore it did not rise to an audit finding.
- The committee requested to see the processes that are in place.
- Conflict of interest was related to a single vendor involving an athletic director's spouse that the district does business with. The district filed all necessary paperwork however the board policy is more restrictive than the statute which is what raised a red flag however the district is operating within state statute.

- Budget to outsource an IT auditor.
- Mr. Numbers requested to get input from the committee members to see what exactly they are looking for before meeting with Mr. Culbert.
- The ability to have AAC and the concept of it is not based upon statutes because if it was, every district would need to have one.
- As a committee what type of meeting would they be able to receive information from as it relates to Mr. Culbert's meetings.
- Mr. Numbers inquired if the AAC could get access to the audit data and how does the information get disseminated to them.
- Should the AAC be concerned about this or does the DCSB want them to stay out of this.
- A meeting with OGC is needed to assist with AAC access.
- Ensuring that employees leaving the district no longer have access to certain information.

Ms. LaSonja Williams left at 1:37 p.m.

NEXT MEETING

It was agreed to have more frequent meetings until the committee has a full understanding of the functions, responsibilities, and processes. Therefore, the next meetings were scheduled for:

- Thursday, March 23, 2023, at 11:00am
- Thursday, May 11, 2023, at 11:00am

The May 11, 2023 meeting date is tentative and may need to be rescheduled.

ADJOURNMENT

Motion:
That the Audit Advisory Committee moved to adjourn the meeting at 1:39 p.m.

Vote Results:
Motion: Julia Hann
Second: Dan Edelman

PASSED 5-0

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