DUVAL COUNTY
PUBLIC SCHOOLS

Meeting Minutes
Duval County Public Schools

December 6, 2023, Audit Advisory Committee Meeting

Committee Members Present: Chair Paul Numbers, Jr., Vice Chair, Steven Apple, Mark Sizemore, Monique Thompson, and Duval County Public Schools Chair, Darryl Willie (Ex-Officio non-voting member). Mindy Menzel, participated via Telephone. Lasonja Williams and Dan Edelman were not present.

Board Members Present: Vice Chair, Charlotte D. Joyce, Cindy Pearson.

Call Meeting to Order

Chair Mr. Paul Numbers called the meeting to order at 11:22 a.m.

WELCOME AND INTRODUCTIONS

Staff members who were also present:
- Dr. Dana Kriznar, Superintendent
- Corey Wright, Chief of Staff
- Erika Harding, Assistant Superintendent, Chief Operations
- Jennifer Whitman, Director, Budget Services
- Ronald Fagan, Chief Financial Officer (CFO)
- Anthony Cobb, Executive Director, Financial & Business Services
- Kendra Burton, Executive Director, Financial & Business Services
- Ashley L. Barr, Director, Strategic Planning
- Gail Collins, Administrative Assistant to the Board

APPROVAL OF COMMITTEE MEMBER PARTICIPATION:

Motion:
That the Audit Advisory Committee approve the participation of Committee Member Mindy Menzel in the December 6, 2023, Audit Advisory Committee Meeting VIA Interactive Video and/or Telephone Systems.

Vote Results:
Motion: Mark Sizemore
Second: Steve Apple

PASSED: 4-0

Aye:
Paul Numbers
Monique Thompson
Steve Apple
Mark Sizemore

Nay:
None

APPROVAL OF THE DECEMBER 6, 2023, AGENDA

Motion:
That the Audit Advisory Committee approve the December 6, 2023, agenda as submitted on November 21, 2023.

Vote Results:
Motion: Monique Thompson
Second: Steve Apple

PASSED: 5-0

Aye:
Paul Numbers
Steve Apple
Monique Thompson
Mindy Menzel
Mark Sizemore

Nay:
None

PUBLIC COMMENTS

No public comments

APPROVAL OF MINUTES:

Motion:
That the Audit Advisory Committee approve the following minutes:
- **November 2, 2023, Audit Advisory Committee Meeting**

Motion: Mark Sizemore
Second: Steve Apple

Discussion: None

PASSED: 5-0

Aye:
Paul Numbers

Steve Apple
Monique Thompson
Mindy Menzel
Mark Sizemore

Nay:
None

DISTRICT UPDATES:

1-MILL REFERENDUM REPORTING:

Corey Wright, Chief of Staff; Ron Fagan, CFO; Erika Harking, Assistant Superintendent, Chief Operations, joined in the discussion on the following:

- 1 Mill reporting proposal: Reporting Frequency, Reporting Detail, and Public Accessibility.
- Samples of what was being provided.
- District leaders from each area would present their information at one of the AAC meetings.
- Briefly reviewed the Funding Summary and the documentation showing the details of current projects.

Chair Numbers stated the purpose of the meeting:

- What they want to get out of the meeting today.
- What they are trying to set up is the resolution for review accountability, etc. for the next 4-year program.
- The Resolution regarding the responsibility of the AAC.
- Open discussion from the AAC, Board Members, and staff so that the AAC is clear as to their responsibility as committee members to provide accountability and transparency to the public.

Discussion involved:

- The parameters of the current projects document were explained, specifically the explanation of the colored sections:
  - Budget – (Green - On/under), (Yellow – At risk); and (Red – Over).
  - Schedule Risk – (Green – No Risk/On Time), (Yellow – At Risk/On Time); and (Red – Delayed).
- Examples were shared to make sure the information was understood.
- Whether there is a concern about the timing of materials being delivered.
- For the 1 Mill oversight, it is about money.
- If something becomes seriously off schedule, it is going to cost more money. Inquiry as to what is driving the contract and what is in the contract.
- Determine the meaning of the colors in the document. Request to set a specific timeframe.
- Use red, yellow, and green for budget if related to money.
- Timing is important when it comes to the budget. There is a budget that the district is supposed to spend within the calendar year. If pushed to the next calendar year, it could affect the things that need to be done.
- Money must be spent before the year is up, then it rolls to the next calendar year.

- With regards to tracking dollars, the public may have an interest in knowing if there has been a delay.
- Chair Numbers read the section of the 1 Mill Referendum that stated the responsibility of the AAC regarding the 1 mill. Emphases was put on spending and reporting the findings to the Board in public.
- The Operations department is responsible for the matrix showing all the individual projects.
- Does not want to create extra work, will use the document that the AAC reviews to share with the public to be transparent.
- There are several CPAs and auditors who can provide clear guidance on how far the AAC wants to delve into tracking the money. Does not want AAC to overstep or create work.
- Chair Numbers read the section of the board policy that spoke about the AAC's responsibility regarding the 1 Mill.
- If the detailed project document is going to be shared with the AAC and the public, the timing can be removed.
- The document is the current plan, and each project is being tracked.
- Project Managers are being hired to oversee the projects and report the information to the district.
- When looking at the committee's overview, findings, and recommendations, it means something must be reviewed to say that it is in compliance or not.
- The Internal Board Auditor (IBA) would be the one to review the receipts and invoices to make sure that the money is being used for what it has been allocated for, and then report that information to the AAC.
- At the end of the year, using the matrix, the AAC can't do a report because they did not review all the information (receipts and invoices).
- The AAC needs to be able to rely on that information already being validated.
- Understand the procedures that the district staff are following to present the information.
- Use the same process as the ½ Penny Sales Surtax.
- With regards to the Sales Surtax, the dollar amount is a lot larger and is for the operations project.
- 88% of the dollar amount is allocated to salary and 12% is allocated to the projects.
- A request to see the breakdown of the salary dollars since that is where most of the money is being spent.
- A report can be provided on salary expenditure.
- Budgeted receipts are 96%.
- General ledger, money coming in has its own bucket.
- The fund is separated by groups of projects.
- The responsibility of the charter schools.
- The district must account for the money that is given to the charter schools and give it to them in a timely manner.
- The district can't ask charter schools for invoices, they would have to provide a financial report showing how the funds were used. Accountability has been an ongoing conversation as charter schools are not required by law to provide information on use of funds to the district.
- The AAC just needs to verify that funds have been allocated and received at the charter schools.
- The 1 Mill is a 4-year deal.
- IBA position can monitor the 3 buckets: money budgeted to go to charter schools on a quarterly basis; what was actually given to the charter schools; verifying of salaries, base compensation; what was paid, what was budgeted on a quarterly basis, do a sampling of invoices to say yes to what was spent.
- It is more of a report out when the AAC meets to see what was reviewed.

- The 1-Mill Reporting Proposal is a good document.
- Minor suggestions made to add to the report for the AAC to use.
- How detailed is the AAC supposed to be looking at the plan?
- Information that the AAC needs to know vs the information that the IBA needs to know.
- AAC would be able to confirm information in an annual report based on the information the IBA provides.
- Inquiry about having a process in place to modify the plan throughout the years if necessary. The goal is to stick to the plan as close as possible.
- Plan presented by staff and reviewed by the Board.
- A request to see the current report that list each planned project and funds spent.
- Making minor changes to the Funding Summary document; calibrate what the colors red, yellow, and green stand for; and the role of the IBA.
- The information that is to be shared with the public.
- The Resolution says annual. If more than annual, share with the public. Cover the timeline section and make it public.
- The 1-Mill Reporting Plan being able to match the 1 Mill Funding Plan.
- Have a section for 'Approved, but no work yet,' and one for 'Completed'.
- The labeling of the document could change. Allow the public to see the progress and the setbacks.
- The IBA will be looking at the proposal and not the plan.
- The difference between fine arts vs arts and athletics.
- The Arts Director is managing the fine arts projects instead of the project manager.
- Come up with a format that the AAC is happy with and transparent for the public.
- The IBA will need to know that this is another reporting mechanism.
- Establish when to have the next discussion regarding the 1 Mill.
- Budget presentation in March or April.
- Present an outline of the process and timeline in January 2024 to the AAC.
- Provide the revised format for the 1 Mill Reporting Plan in January, not a full report out.
- Inquiry of the subcommittee meeting about the budget.
- Discussion for the next AAC Meeting – Updated format of the 1 Mill Reporting, update on the budget process, and standard AAC Meeting.

<u>DISTRICT STAFFING UPDATE:</u>

The status of the Internal Board Auditor position:

- The Board approved the minimum qualifications of the job description for the IBA, the process for posting, interviewing, and timeframe for hiring.
- A request was made for the AAC members to view the job description of the IBA.
- The job description does not show that the IBA oversees a transfer of some of the positions out of Operational Finance group.
- The positions are employees of the superintendent, and the Board cannot supervise them. There has been conversation to allow collaboration with the new IBA and the auditing position that is being referenced.
- An explanation was shared as to what the Board was permitted to do statutorily, what the district was considering doing with regards to the positions in question, and why.

- Comment about seeing how other school districts are set up with positions in question being under the IBA.
- Duval County School Board is not set up the way other districts are set up.
- The IBA job description now includes supervisory requirements.
- The AAC is dependent on the IBA and they are there to assist the IBA to get the work done. The job was originally about audit work but then the budget was added.
- The board requested information about the budget. Certain AAC members formed the subcommittee to assist with the request.
- Quick review about the additions and changes to the 1 Mill Reporting Proposal.
- The committee develops the annual reporting requirement.
- Ms. Barr stated that she would share the report that is prepared by the Sales Surtax Oversight Committee after the Chairman has prepared it.
- Chairman/Ex-Officio Willie explained what the Chairman of the Oversight Committee had done regarding his report to the Board. The report is made public and is published. AAC can do the same.
- The budget year is July through June 30th, the preliminary report can be done in June, and the final report for budget goes to the Board in September.

<u>GOVERNANCE:</u>

Chairman Numbers:

- Great progress in identifying the process for the 1 Mill.
- Budget.
- IBA position.
- Thanked staff for the work that has been done so far.
- Thanked the Board for working on behalf of their constituents.
- Thanked Dr. Kriznar for being at the meeting.

Dr. Kriznar shared:

- Set up a transportation committee. Might be able to find some cost-savings.
- Governor's preliminary budget. Waiting on the House and the Senate.
- Principals committee to prioritize what they want to see capped.
- Chief of IT, Jim Culbert, will speak with the AAC regarding the funds spent on IT.

Chairman/Ex-Officio Willie shared how it was helpful to understand how the budget for IT is made up. He expressed appreciation for the work that the AAC does as it helps the Board to better understand. He added that the Board is listening. He also thanked Ms. Barr for all the work she does.

<u>NEXT MEETING</u>

Next meetings for the Audit Advisory Committee will be:

- January 11, 2024, 11:00 a.m. to 2:00 p.m. All DCPS Board Members are invited to attend.

Adjournment

<u>ADJOURNMENT</u>

Motion:
That the Audit Advisory Committee moved to adjourn the meeting at 1:14 p.m.

Vote Results:
Motion: Mindy Menzel
Second: Steve Apple

PASSED 5-0

Aye:
Paul Numbers
Steve Apple
Monique Thompson
Mindy Menzel
Mark Sizemore

Nay:
None

GC