

**MINUTES OF THE SCHOOL BOARD AUDIT COMMITTEE
OF MIAMI-DADE COUNTY PUBLIC SCHOOLS
JANUARY 31, 2006**

The School Board Audit Committee met on Tuesday, January 31, 2006 at 12:30 p.m. in the School Board Administration Building, Room 559, at 1450 N.E. Second Avenue, Miami, Florida.

Members Present:

Voting:

Mr. Jeffrey B. Shapiro, Chair
Mr. Carlos M. Trueba, Vice Chair
Ms. Perla Tabares Hantman, Board Member
Ms. Betty Amos
Ms. Lidia Monzon-Aguirre
Mr. Manuel A. Gonzalez
Mr. Jack Levine
Mr. Robert W. Schomber
Mr. Robert Stein
Mr. Vidal Marino Velis

Non-Voting:

Mr. Martin Berkowitz
Mr. Allen M. Vann

Members Absent:

Mr. Robert Henderson, Jr.

Call to Order

Mr. Jeffrey B. Shapiro, Chair called the meeting to order at 12:41 p.m.

Introductions

Mr. Jeffrey B. Shapiro greeted everyone and asked them to introduce themselves, and they did. The following persons were present:

Ms. Evelyn Langlieb Greer, Board Member
Ms. Ana Rivas Logan, Board Member
Dr. Marta Perez, Board Member
Ms. Ofelia San Pedro, Deputy Superintendent
Mr. Alberto Carvalho, Associate Superintendent
Mr. Freddie Woodson, Associate Superintendent
Ms. JulieAnn Rico Allison, School Board Attorney
Ms. Maria Teresa Rojas, Asst. Superintendent
Mr. Luis Garcia, Sr. Assistant Board Attorney
Ms. Denise Izquierdo, Adm. Asst. to Dr. Karp
Ms. Ana Lara, Adm. Asst. to Ms. Hantman
Ms. Vivian Lissabet, Adm. Asst. to Ms. Logan

Ms. Barbara Miranda, Adm. Asst. to Mr. Barrera
Ms. Rose Diamond, Chief Facilities Officer
Ms. Mariaelena Vidal, HR Officer
Mr. Joseph Gomez, Assistant Superintendent
Dr. Kamela Patton, Assistant Superintendent
Ms. Blanca M. Valle, Assistant Superintendent
Dr. Alberto Rodriguez, Region Supt., Region I
Ms. Enid Weisman, Region Supt., Region II
Mr. George Nuñez, Region Supt., Region III
Dr. Essie S. Pace, Region Supt., Region IV
Mrs. Janet S. Hupp, Region Supt., Region V
Ms. Neyda Navarro, Region Supt., Region VI

Ms. Connie Pou, Controller
Ms. Daisy Naya, Assistant Controller
Mr. Jose F. Montes de Oca, Asst. Chief Auditor
Ms. Maria T. Gonzalez, District Director
Mr. Julio Miranda, District Director
Mr. Trevor Williams, District Director
Ms. Cynthia Gracia, Administrative Director
Ms. Penny Parham, Administrative Director
Mr. Carlo Rodriguez, Administrative Director
Ms. Molly Feltham Adams, Director
Ms. Joanne Brewton, Director
Ms. Pauline Ferris, Director
Ms. Patricia Prida, Director
Ms. Bettye L. Woodson, Director
Mr. Cliff Stein, Executive Director
Ms. Lisa Thurber, Executive Director
Mr. Marcos Moran, Director, Region I
Ms. Cynthia M. Clarke, Director, Region I
Ms. Marie Harrison, Director, Region II
Mr. Robert Kalinsky, Director, Region III
Mr. Jorge L. Garcia, Director, Region IV
Dr. Janice Cruse-Sanchez, Director, Region VI
Mr. Mahmoud Zolfaghari, Supervisor
Mr. Norberto Ferradaz, Audit Supervisor
Mr. Edward E. Smith, Supervisor
Ms. Alice Margolis, Budget Analyst
Mr. Gilbert Coulton, Interim Building Official
Mr. Victor Alonso, Construction Officer
Mr. Walter Baggesen, Senior Architect
Ms. Nelly Fuentes-Lacayo, Senior Auditor
Ms. Soraya Guerra, Audit Coordinator
Mr. Michael Hernandez, Audit Coordinator

Ms. Veretas Fernandes, Staff Auditor
Ms. Patricia Robinson, Staff Auditor
Mr. Eugene Baker, ITS
Ms. Lourdes Amaya, Administrative Aide
Ms. Elsa Berrios-Montijo, Rec. Secretary
Ms. Cecilia Lavina, Supervisor
Mr. John Vodenicker, Ernst & Young
Ms. Claudia Dixon, Ernst & Young
Ms. Patrice Jones, Ernst & Young
Ms. Tanya Davis, S. Davis & Assoc.
Mr. Octavio Verdeja, Verdeja Gravier & De Armas
Mr. Nelson Pastor, Verdeja Gravier & De Armas
Ms. Alexandra Mirabal, Coral Reef Montessori
and Academy of Arts and Minds
Ms. Ana Martinez, Academica
Mr. Manuel Alonso Poch, Academy of Arts
and Minds
Mr. Alex Tamargo, Academy of Arts and Minds
Mr. George Koufkoulis, Archimedean Academy
Mr. Aleco Haralambides, Archimedean Academy
Ms. Lucy Canzoneri-Golden, Coral Reef Montessori
Ms. Juliet King, Coral Reef Montessori Charter
Ms. Terry Maus, Downtown Charter
Ms. Candace Cheoning, Keys Gate Charter
Ms. Linda Payne, Liberty City Charter
Mr. Ian Rivers, Liberty City Charter
Ms. Katrina Wilson-Davis, Liberty City Charter
Ms. Maria Mongeotti, Miami Children's Museum
Ms. Gisela Batan, Spiral Tech Charter
Mr. Damian Landeiro, Damian Landeiro, P.A.
Mr. Dan Ricker, Watchdog Reporter
Ms. Susan Kairalla, Volunteer

1. Approval of the Minutes of the Audit Committee meeting of December 7, 2005

Mr. Schomber expressed concern on item 4, which addresses the discussion on the management letter. He noted that when the management letter contains recurring items, it should include the prior year's, as well as current year's management response, because management can provide different responses and the readers will not know. Mr. Vodenicker answered that he will incorporate Mr. Schomber's suggestion if the Audit Committee wants it. Mr. Shapiro suggested amending the minutes, in respect to recurring items, to be included in the management letter.

Ms. Amos noted typographical errors on pages 7 and 9.

Mr. Schomber also expressed concern on item 11 and asked whether or not the Florida Statutes provide that a management letter must accompany the required financial statements from charter schools. Mr. Vann offered a **follow-up item** regarding this concern for the next audit committee meeting.

There was no further discussion and a motion was made by Mr. Gonzalez, seconded by Mr. Schomber, which carried unanimously, to approve the Minutes of the Audit Committee of December 7, 2005, as amended.

2. Ernst & Young, LLP's Audit Report: The School Board of Miami-Dade County, Florida, Single Audit Report (in accordance with OMB Circular A-133) Year ended June 30, 2005

Mr. Vodenicker highlighted a few items in the Single Audit Report for the year ended June 30, 2005. He noted that the results of the tests did not disclose any instances of noncompliance or any material weaknesses of internal controls that required reporting under Government Auditing Standards. He also noted that in accordance with the OMB Circular A-133 requirements, the School Board complied in all material respects, and therefore received a clean opinion. However, there was an instance of noncompliance with procedures, which had no financial effect. He also stated that they audited 40% of the expenditures of federal awards received by the District, which totaled \$395 million. Ms. Dixon summarized the contents of the finding noting that it was related to the timing of reconciliation for one small program. Mr. Levine asked Ms. Dixon to classify this deficiency. Mr. Vodenicker responded that although it is not a major finding, it is a noncompliance matter and must be reported. Mr. Levine asked what the dollar amount was. Ms. Dixon replied there is no dollar amount because it is only a reporting issue. In response to questions by an Audit Committee and a School Board member, Ms. Pou said that historically grants have been fully spent and there is no loss of funds to M-DCPS.

Mr. Trueba offered congratulations to all staff members on this report.

There was no further discussion and a motion was made by Ms. Amos, seconded by Mr. Schomber, which carried unanimously, to recommend that the Ernst & Young, LLP Audit Report: The School Board of Miami-Dade County, Florida, Single Audit Report Year Ended June 30, 2005 be received and filed by the School Board.

3. Extension of Ernst & Young Contract for External Auditing Services

Mr. Montes-de-Oca explained the proposed two-year extension of Ernst & Young's contract for external auditing services and provided a brief history of the Audit Committee's involvement in renewals. He noted that since the current three-year contract with Ernst & Young expires upon their completion of the Single Audit for fiscal year 2004-05, it is incumbent upon the Audit Committee to consider extending the contract for a maximum of two years. Mr. Montes-de-Oca also provided a bar graph depicting the fees paid for external auditing services related to financial statement audits over the past eight years and the fees proposed by Ernst & Young for the next two years. The full proposal for those two years was also provided for more details.

Ms. Amos suggested recommending the extension of Ernst & Young's contract for two years. Mr. Stein inquired as to why the fees have increased. Mr. Vodenicker explained that the 5% increase for the next two years is because their costs, including payroll, have also increased. He pointed out that the reason Ernst & Young can afford to only increase the fees by 5% is because his staff has become familiar with the District's records during the past three years and thus can reduce the amount of time required to perform the audit.

Mr. Levine asked Mr. Vodenicker, if he could provide the hours by level of profession on the billing statement. Mr. Vodenicker stated that partners perform approximately 5% of the work, managers about 20% and the balance is done by staff members.

Mr. Stein asked if Ernst & Young build up their fees for unforeseen circumstances. Mr. Vodenicker responded that he makes some estimates and has open communication with the clients, as issues come up, to establish fees.

After some more discussion, a motion was made by Ms. Amos, seconded by Mr. Scomber, which carried unanimously, to recommend that the two-year extension of the Ernst & Young contract be approved by the School Board.

4. Financial Statements – Charter Schools:

Mr. Ferradaz and Mr. Williams introduced the charter schools item.

Mr. Shapiro asked Mr. Ferradaz and Mr. Williams to address the responses that needed the most attention. Mr. Williams pointed out that the charter schools exhibiting most concerns were Spiral Tech, Liberty City and Academy of the Arts and Minds. The common deficiency for these schools is the high level of debt. Mr. Vann added that these charter schools appear to have overcommitted themselves financially and that is the reason for the high level of debt.

Ms. Hantman asked how often charter schools are audited. Mr. Vann responded that charter schools financial statements are audited annually by outside CPA firms. He also noted that the internal auditors of M-DCPS have the right, by contract, to do any additional audit work at our own expense.

Balere Language Academy

Mr. Levine asked why Balere Language Academy had no school performance grade. Mr. Bell explained that reason is Balere Language Academy is on its first year of operation, he also noted that some other schools do not receive a school performance grade because they do not meet the population requirement.

Downtown Miami Charter

Ms. Greer asked if there were any large bank overdrafts. Ms. Davidson, Vice President of Charter Schools USA, responded that there were not. Ms. Monzon-Aguirre asked if the internal funds procedures are in draft form, how they could be implemented. Ms. Davidson responded that even though the internal funds procedures are in draft form, they are being implemented and the manual will be formalized by the end of February.

Archimedean Academy

Referring to the notes on the financial statements, Ms. Greer asked who the related party of Archimedean Academy was. The Vice President (VP) of the academy responded that there are no related parties, and noted that the auditors report is incorrect. Ms. Greer asked who owns the land. The VP again answered that the land is owned by Archimedean Property LLC, which consist of 8 or 9 investors, some of whom are individuals and others are corporations. Ms. Greer asked if any of these investors are involved with the school. The VP responded that they are not.

Ms. Amos expressed concern about the increase of community services expenses, which had risen to \$159,000. The VP answered that the expenses are related to providing after school care services.

Mr. Trueba asked the auditors of Archimedean Academy if they had an incorrect understanding of the related party issue. The auditors of Archimedean Academy responded that at the time they felt that there was a related party transaction at Archimedean Academy. At the present time, however, they are satisfied that there are no related party transactions at Archimedean Academy.

Keys Gate Charter

Mr. Stein made reference to the Keys Gate management fee calculation spreadsheet and expressed concern as to whether the 14% management fee includes capital outlay. A representative from Keys Gate Charter responded that the 14% is part of the management contract and payments made were consistent with the contract.

After some more discussion Mr. Levine noted that the issue with the 14% management fee should be revisited. Mr. Vann added that the question is proper management, and what is the management company doing for the 14%.

Mr. Trueba expressed concern because he felt that the Audit Committee is powerless to make decisions governing charter schools. Ms. Allison offered to provide guidance on the jurisdiction the Audit Committee and School Board have over charter schools.

Mr. Schomber expressed similar concerns about the lack of limitations on large payments of salaries. Ms. Allison responded that statutorily there are no standards on caps, quotas, or thresholds and explained that limits are established only through the contracts.

Miami Children's Museum Charter

Ms. Amos asked why there is a lease. The principal responded that the school is presently housed at a temporary location. He explained that students report to the Mater East location in the mornings, are bused to the Miami Children's Museum, and at the end of the day they are bused back. She also noted that 95% of the activities are conducted at the Miami Children's Museum.

Ms. Hantman asked how far is the Mater East location from the Miami Children's Museum. The principal responded the time frame to transport the students is about 8 minutes.

Academy of the Arts and Minds

Ms. Amos asked about the amount of space being leased, because 19,500 square feet for 67 students seemed excessive. Mr. Thomas Shaw, the school principal, noted that the enrollment was 85 students and it is currently up to 140. Mr. Alonzo, Chair of the Governing Board noted that the facilities are fully used on a daily basis. He also noted that there is a growth plan for four years, and the enrollment for next year is projected to be 225.

Responding to observations by Audit Committee members. Mr. Bell noted that he has been working with the School Board Attorney's office on revising and strengthening the charter school contract and will take this discussion into consideration.

After some more discussion a motion was made by Ms. Amos and seconded by Mr. Levine to have the Office of Management and Compliance Audits in conjunction with Facilities Management **provide** a report to the Audit Committee on utilization of space at the Academy of the Arts and Minds.

Liberty City Charter School

Mr. Stein referred to Liberty City Charter School's response which states that they would receive funds from the Urban League and asked why they did not received the funds in 2005 and whether they will receive the funds in 2006. Ms. Wilson, Principal of Liberty City Charter School, responded that they did receive funds, but not the amount that they had anticipated. She also mentioned that they are going ahead with hiring a financial consultant and a professional fundraiser/developer to assist in fundraising.

Mr. Stein expressed concern that Ms. Wilson has taken over another site. Ms. Wilson explained that the reason for taking over North Dade Charter was to minimize the disruption to the children. She also explained that they have acquired liability, administrative, and operational costs; therefore, they have consolidated operations to reduce administrative costs.

Ms. Greer noted that the facility is not doing well financially and asked how many students are enrolled. Ms. Wilson responded that currently there are 335 students. Ms. Greer then asked the auditors and School Board Attorney to review the contract and explain what are rights of the Audit Committee, and by extension the School Board's, in the event there is a negative capital situation. Mr. Shapiro also asked if the school is in breach of the contract. Ms. Allison explained situations where indirect breach of the contract such as health and well-being calls for emergency closure. Ms. Greer expressed frustration with the fact that the contracts do not have enough teeth to allow for action on the part of the district administration and the School Board.

Ms. Allison noted that there are emergency and contractual enforcement measures that could be taken, but offered to **provide feedback** to the Audit Committee on the rights and duties of the School Board under the current contract, and on the development of future contracts with charter schools that vest the School Board with more authority to deal with these schools in emergency financial situations.

Mr. Shapiro explained to Ms. Wilson the conditions of the contract that may have been violated and that the School Board can, therefore, end the contract. Ms. Wilson enumerated the reasons for the financial difficulties and promised to correct the situation.

Mr. Schomber asked Mr. Bell how and how frequently are charter schools graded. Mr. Bell provided a brief explanation and concluded that although finances are very important, the bottom line academic performance.

Ms. Greer asked Ms. Wilson if the school has enough funds to conduct operations until the end of the year. Mr. Rivers, accountant for Liberty City Charter School, responded that they have a plan, which they are confident will allow the school to make it to the end of the year.

Spiral Tech Elementary Charter

Ms. Amos pointed out that this school has an ongoing concern issue. Mr. Shapiro asked what is being done to correct the deficiencies, in order to avoid having to close the school.

Ms. Batan, the school's principal, explained that the main problem at the school was that when the Metropolitan Building and Zoning department ordered the school to remove existing portables, the enrollment decreased from 200 to 47 students. She said that they have purchased new portables and are attempting to finish the construction at the school, but due to some financial difficulties the school had to sell the property. Presently, she added, they are in the process of finding a new facility and concluded that the current enrollment is 80 students.

Mr. Stein expressed concern over the IRS debt, and asked what made the school administrative believe the IRS will be willing to forget the \$240,000 debt.

Ms. Batan explained she will meet with all the creditors to make an effort to reduce the liabilities.

Ms. Amos asked Ms. Batan how Spiral Tech got into this kind of debt with the IRS. A representative from Damian Landeiro, P.A., CPA, responded that payroll taxes had not been paid on time, but half of the liability has been paid and the rest (\$120,000) will be paid by May. He also stated that the other liability is the rent expense that has not been paid; however, the current lender is being paid on a monthly basis.

Ms. Greer expressed concern over the financial viability of the school, because charter schools receive money to operate on a year-to-year basis, and there is not enough money to pay past debts. She suggested that the Audit Committee consider reviewing the issue of moving the school to a new location and she would like recommendations from the Audit Committee and Mr. Bell. Mr. Bell responded that the financial situation is dire; therefore, moving the program from Kendall to Allapattah is not a solution. He concluded that if there is no concrete plan for improvement, their contract will be reviewed and the program will have to be closed at the end of the school year if this situation is not satisfactorily resolved.

Mr. Trueba expressed concern about the potential and personal liabilities of the school, and whether M-DCPS will end up paying for these liabilities.

Mr. Carvalho explained that the Superintendent will soon present to the School Board a revised contract for charter schools. He also explained that pursuant to the recommendation of a former Superintendent, Spiral Tech was closed at one point because of lack of compliance with the certificate of occupancy. He pointed out that by an injunction order the school was reopened; however, district staff is in the process of building another case and their position on this school is forthcoming.

Coral Reef Montessori

Ms. Amos talked about the loans issue, and pointed out that 13% is an extremely high interest rate. The representative from Coral Reef Montessori responded that they were aware of the high interest rate, but that was their only choice at the time. She also noted that they are negotiating to refinance these debts.

Mr. Schomber asked Mr. Carvalho to share with the audit committee the Superintendents' planned revisions of the charter schools contract before it goes to the School Board for approval. Mr. Carvalho responded that he would be pleased to share with the audit committee the plan and he also pointed out that it will be a joint effort among the Superintendent, Board Attorney's office, and the Schools of Choice Office.

Ms. Hantman asked Mr. Bell to explain the credential requirements for the teachers at the charter schools. Mr. Bell answered that the requirements are the same as for M-DCPS teachers. Ms. Hantman then asked if the teachers have to be U.S. citizens or residents. Mr. Bell responded that they do not have to be U.S. citizens, but they must have legal status to work in the U.S.

Mr. Bell invited the Audit Committee members to attend the District Review Committee where the board rule and contract for the charter schools will be addressed. Mr. Shapiro asked the Audit Committee members to decide if they want to attend, and thanked Mr. Bell for the invitation.

Members of the Audit Committee complimented Mr. Williams and Mr. Ferradaz for an excellent job in the presentation of the charter schools' financial statements.

There was no further discussion and a motion was made by Mr. Trueba, seconded by Mr. Levine, which carried unanimously, to recommend that the audit reports of the nine charter schools for the fiscal year ended June 30, 2005 listed above be received and filed by the School Board.

5. Office of Management and Compliance Audits' Activity Report

Mr. Vann thanked and complimented his staff for all the hard work that went into putting these reports together. He then summarized the report and noted the audits in progress.

There was no action required, since this item was presented to the Audit Committee for information purposes only.

6. Audit of Food Service Operations

Mr. Williams noted that the audit disclosed the department is working well. However, there were some recommendations for improvement and asked if there were any questions. Ms. Amos asked if all corresponding rebates had been received and whether any monies "had been left on the table." Mr. Williams said that he could not provide assurances that all rebates had been received; however, he could attest that procedures are currently in place to receive these rebates. Ms. Parham added that all monies to which the District was entitled have been received.

Mr. Stein referred to page 6 and commended the staff for savings on repairing kitchen equipment, that otherwise would have been costly to obtain. He also noted that the big savings should be realized when staffing is adjusted, but it is not clear on the report when this will occur. Ms. San Pedro replied that efforts have already begun and School Operations has agreed to assist in streamlining the staff in the cafeterias, particularly at high schools.

Ms. Greer pointed out that she will be presenting an item at the School Board's February meeting on the Five Year Budget Analysis Follow-up, which in part requests that the Superintendent prepare and present a contingency plan to outsource all non-educational services rendered at the schools.

Mr. Schomber referred to page 9, and asked when was the OPPAGA report mentioned in the recommendation provided to the District. Ms. Parham noted that the initial recommendation was to re-evaluate the labors hours which was completed by her department in 2003-04. She pointed out that OPPAGA performed a follow-up in 2005 and changed the recommendation to the one being discussed. Ms. San Pedro stated that she has met with Mr. Woodson from School Operations and they will be outlining an agreement to involve food and nutrition in delineating the roles and responsibilities of cafeteria personnel.

Mr. Schomber asked how many stale dated purchase orders were noted in the internal audit report dealing with this subject, and asked for a status report from the administration. Mr. Williams responded that the audit report of Capital Budgets of 2003, noted a \$5 million figure on stale dated purchase orders. He stated that currently there is a report which identifies these stale dated purchase orders, but he does not know why they are not cleared. Mr. Schomber requested a **follow up report** be provided on stale dated purchase orders, which include number, amount, and reasons.

There was no further discussion and a motion was made by Ms. Amos, seconded by Mr. Trueba, which carried unanimously, to recommend that the Internal Audit Report of Food Service Operations, January 2006 be received and filed by the School Board.

7. Audit of Construction Plan Review, Permitting, and Inspection Processes

Mr. Williams summarized the contents of the audit report. He noted that the department's operations were adequately controlled and complied with applicable laws and regulations. He also pointed out that the department and the contracted Building Code Consultants perform their review of construction plans in a thorough manner. However, Mr. Williams said, there were delays in construction plan reviews, permit issuance, and inspections among certain disciplines. Ms. San Pedro observed that this is an area that does not have the proper computer tools to perform the functions needed and consequently does not have performance standards. Ms. San Pedro then discussed the new program that will be implemented in order to resolve these issues and noted that many of the deficiencies cited in the audit are already being corrected.

Ms. Hantman referred to page 3, and asked when the open new Sr. Code Inspector Fire Safety position will be filled and also asked when the last fire safety report issued. Ms. San Pedro responded that interviews have already taken place and there will be an appointment soon. Ms. Diamond responded that the fire safety reports are distributed quarterly, but she will confirm it. Ms. Hantman expressed concern that board action is not being complied with and asked for a status report. Ms. Diamond promised to provide Ms. Hantman the information.

Mr. Trueba asked about the significance of reviews being completed 22 days or more after submission. Ms. San Pedro replied that the timeliness of the reviews needs to be improved.

Mr. Coulton explained the process and reason for the delay.

There was no further discussion and a motion was made by Ms. Amos, seconded by Mr. Schomber, which carried unanimously, to recommend that the Internal Audit Report of Construction Plan Review, Permitting, and Inspection Process, January 2006 be received and filed by the School Board.

8. Internal Audit Report – School Audits **Regional Center I Elementary Schools** **Regional Center I Secondary Schools** **Selected Schools**

Ms. Gonzalez summarized the results of the three Internal Audit Reports – School Audits. She pointed out that only two schools had changes in principal and noted the audit exceptions in the elementary schools report and selected schools report.

There being no discussion, a motion was made by Mr. Trueba, seconded by Ms. Monzon-Aguirre, which carried unanimously, to recommend that the Internal Audit Reports of Regional Center I Elementary Schools, Secondary Schools and Selected Schools January 2006 be received and filed by the School Board.

9. Inspector General Briefing

Mr. Miranda summarized the operations of the current investigations at the Inspector General's Office. Ms. Greer expressed concern about the time it is taking to complete the investigation on the Florida Memorial University case and asked for the status of the case. Mr. Miranda explained that the Office of Management and Compliance Audits had completed its work on this case and referred it to the Police Department. Ms. Greer was not satisfied with the explanation and requested that a report explaining the time-lines of the investigation, be submitted to the School Board before its meeting of February 15, 2006, if possible.

There was no action required, since this item was presented to the Audit Committee for information purposes.

10. Other Business

a. Review of Audit Committee Charter Board Rule 6Gx13-2C-1.42 and Proposed Changes

Ms. Hantman recused herself while the amended to the board rule was being discussed, because since she is a member of the School Board it would be inappropriate to vote on this item.

Ms. Allison summarized the changes that were made to the board rule.

Ms. Amos noted that the two-year term limitation for the Chair and the Vice-Chair were taken out of the rule and expressed concurrence.

Mr. Vann pointed out that he researched best practices throughout the nation, and none of the agencies surveyed have limited terms for election of chairs and vice-chairs. Most of this rule comports with best practices, he concluded.

Mr. Shomber asked Mr. Vann to provide any concerns or suggestions that may need to be addressed. Mr. Vann suggested wordsmithing the duties and responsibilities.

Ms. Allison mentioned that she will be looking at all board rules and make revisions, if necessary.

There was no further discussion, a motion was made by Ms. Betty Amos, seconded by Ms. Monzon-Aguirre which carried unanimously, to recommend that the Charter Board Rule 6Gx13-2C-1.42 and proposed changes, was reviewed and be submitted to the School Board.

b. Follow-up Items

- **Contractor Evaluation Process Audit Report**
This follow up item was requested by the Audit Committee at its December 7, 2005 meeting. The intent of the request was to provide an update to the Audit Committee on the implementation of the audit recommendations. Ms. Diamond provided the updates to the Contract Evaluation Process Report. Mr. Williams acknowledged the staff of facilities and IT'S for their cooperation. Mr. Schomber thanked Ms. Diamond for the update and complimented her for the success of the Facilities Department. Ms. Diamond commended her staff.
- **Timelines to Implement Financial Automated Systems**
This follow up item was also requested by the Audit Committee at its December 7, 2005 meeting. The request was to provide additional information on the ERP for Business project and in particular the future state and the process required. Mr. Berkowitz distributed a handout on slides that provided that information. Mr. Levine referred to page 5, and asked what will be the timeline for developing an RFP. Mr. Berkowitz responded that the process is on schedule and by July 2006 they expect to have responses to the RFP. He also noted that the completion date for the entire project is projected for January 2010.
- **WLRN Audit**
This follow up item was requested by the Audit Committee at its December 7, 2005 meeting. The request was to provide clarification on the differences of opinion on the process surrounding data collection and completion of the financial report. Mr. Berkowitz and Ms. Pou summarized the follow-up and Mr. Schomber complimented Mr. Berkowitz and Ms. Pou on the follow-up to the audit of WLRN.

Adjournment

The meeting was adjourned at 3:44 p.m.