

**MINUTES OF THE SCHOOL BOARD AUDIT AND BUDGET ADVISORY COMMITTEE
OF MIAMI-DADE COUNTY PUBLIC SCHOOLS
January 29, 2013**

The School Board Audit and Budget Advisory Committee (ABAC or Committee) met on Tuesday, January 29, 2013, in the School Board Administration Building, Conference Room 916, at 1450 N.E. Second Avenue, Miami, Florida.

Members Present:

Voting:

Mr. Jeffrey B. Shapiro, Esq., Chair
Mr. Roland Sanchez-Medina, Jr., Esq., Vice Chair
Dr. Lawrence S. Feldman, School Board Member
Ms. Susan Marie Kairalla
Mr. Rayfield McGhee, Jr., Esq.
Mr. Benjamin Moskowicz, CFP®
Mr. Mayowa Odusanya, Esq.
Mr. Jose I. Rasco, CPA
Mr. Isaac Salver, CPA
Mr. Frederick F. Thornburg, Esq.
Ms. Teri Weinstein (Trivizas)

Members Absent:

Perfect attendance

Non-Voting:

Dr. Richard H. Hinds, Associate Superintendent/Chief Financial Officer

Call to Order

1. A) Welcome, Introduction, Moment of Reflection; B) Newly Appointed ABAC Member Mr. Benjamin J. Moskowicz, CFP®, Appointed by Ms. Susie V. Castillo, School Board Member

The ABAC Chair, Mr. Jeffrey Shapiro called the meeting to order at 12:37 p.m. and warmly welcomed everyone in attendance. Mr. Shapiro requested everyone in attendance to introduce themselves. The following persons were present:

Ms. Perla Tabares Hantman, School Board Chair	Ms. Silvia Rojas, Treasurer
Mr. Alberto M. Carvalho, Superintendent of Schools	Mr. John Schuster, Chief Communications Officer
Mr. Walter J. Harvey, Esq., School Board Attorney	Ms. Judith Marte, Deputy Chief Financial Officer
Mr. José F. Montes de Oca, Chief Auditor	Ms. Maria T. Gonzalez, Asst. Chief, School Audits
Mrs. Valtena G. Brown, Chief Operating Officer	Mr. Julio C. Miranda, Asst. Chief, Investigative Affairs
Mr. Jaime G. Torrens, Chief Facilities Officer	Mr. Trevor L. Williams, Asst. Chief, District Audits
Ms. Enid Weisman, Chief Human Capital Officer	Ms. Mindy McNichols, Asst. SB Attorney
Ms. Magaly C. Abrahante, Assistant Superintendent	Ms. Cynthia Gracia, Administrative Director
Ms. Tiffanie Pauline, Assistant Superintendent	Dr. Ana M. Rasco, Administrative Director
Ms. Iraida Mendez-Cartaya, Assistant Superintendent	Ms. Janice Cruse-Sanchez, Administrative Director
Ms. Connie Pou, Controller	Mr. Jon Goodman, Executive Director

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Ms. Daisy Naya, Assistant Controller	Ms. Nicki Brisson, Director
Mr. Ray Delgado, Director	Ms. Collette Popa, Counsel, Doral Academy
Mr. Chris Morgan, Director	Ms. Lillian Zulueta, Doral Academy
Ms. Tamara Wain, Director	Mr. Luis Fuste, Doral Academy
Mr. Thomas Knigge, OIG, Special Agent	Ms. Kelly Mallon, Academica
Mr. Luis Baluja, Supervisor	Ms. Christina Perdomo, Academica
Ms. Raquel Alexander, Administrative Assistant	Mr. Fernando Zulueta, Academica
Mr. Jerold Blumstein, Administrative Assistant	Ms. Ana Martinez, Academica
Ms. Erzsebet Horvath, Administrative Assistant	Mr. Frank Biden, President, Mavericks In Education
Ms. Viviana Jordan, Administrative Assistant	Ms. Lauren Hollander, CEO, Mavericks In Education
Ms. Ana Lara, Administrative Assistant	Mr. Mike Rosen, CFO, Mavericks In Education
Ms. Carmen Naumann, Administrative Assistant	Mr. Chuck Rumpf, Director of Finance, Mavericks In Ed.
Ms. Bertha Valcarcel, Administrative Assistant	Mr. Ralph Arza, Mavericks in Education
Ms. Elsa Berrios-Montijo, Administrative Assistant	Mr. John Sullivan, Mavericks In Education
Ms. Lucila I. Gonzalez, Administrative Assistant	Mr. Alejandro Gravier, HLB Gravier LLP
Ms. Susana Aguilera, Sr. Administrative Assistant	Mr. Nelson Pastor, HLB Gravier LLP
Ms. Cynthia Borders-Byrd, CBorders-Byrd, CPA	Mr. Jose Iglesias, HLB Gravier LLP
Mr. Donovan Maginley, Partner, McGladrey LLP	Mr. Lenny Graun, HLB Gravier LLP
Mr. Anil Harris, Auditor, McGladrey LLP	Mr. Regino Rodriguez, HLB Gravier LLP
Mr. Frank Attkisson, Consultant, A&M Charter School	Ms. Angela Klinedinst, Principal, Oxford Academy
Mr. Carlos Ferralis, Vice Principal, Doral Academy	Ms. Sylvia Hernandez, Asst. Principal, Oxford Academy
Mr. Douglas Rodriguez, Principal, Doral Academy	Mr. Dan Ricker, Publisher and Editor

After a moment of reflection, Mr. Shapiro introduced the newly appointed ABAC Member, Mr. Benjamin J. Moskowicz. Mr. Moskowicz said that he is a Financial Advisor/Certified Financial Planner and has been with the Bernstein Global Wealth Management Company for the past 15 years. He acknowledged his appointment by School Board Member Ms. Susie V. Castillo and expressed his gratitude for the opportunity to serve, noting that he looks forward to being a valuable asset to the ABAC. He was warmly welcomed by the Committee.

School Board Chair Ms. Perla Tabares Hantman advised for the record that she is reappointing School Board Member Dr. Lawrence Feldman as the School Board representative to the ABAC and Mr. Shapiro as her personal representative. Mr. Shapiro thanked Ms. Hantman and welcomed Dr. Feldman once again to the ABAC.

Dr. Feldman thanked Ms. Hantman and the Chair.

2. Approval of the Minutes of School Board Audit and Budget Advisory Committee of December 4, 2012

The Chair drew the members' attention to the minutes for the ABAC meeting of December 4, 2013, and asked whether any members had any suggested revisions or questions relating to the contents of the proposed minutes.

Mr. Salver expressed concern over the second paragraph on page three of the minutes, regarding the constitution of the members of the General Obligation Bond Oversight Committee, because he thought that there was going to be a follow-up on this subject.

Mr. Thornburg recollected that at the last ABAC meeting he endorsed Mr. Salver's recommendation, but the Superintendent explained the entire make-up of the General Obligation Bond Oversight Committee and how it had been vetted and that the ABAC decided not to endorse the recommendation.

Mr. Salver summarized for clarification that the provision that the School Board appointees have an alternate for each of their seats, while others do not. The Superintendent noting Mr. Salver's comment observed that this is how it was proposed and accepted by both the School Board and this Committee and now is fully composed.

There being no further discussion, Mr. Thornburg gave accolades to Mr. Montes de Oca and his staff on very well-written minutes.

A motion was duly made by Mr. Thornburg and seconded by Mr. Sanchez-Medina to approve the minutes as proposed, to serve as the memorialization of the December 4, 2012, meeting of the Committee. The motion carried unanimously.

The Chief Auditor pointed out that the microphones on the table were placed to improve the audio during the ABAC meetings, and asked Mr. Luis Baluja to explain how to operate them. Mr. Baluja provided brief instructions on how to operate the microphones. Ms. Hantman thanked the Chief Auditor for attending to her request by providing the microphones.

3. A) School Board Workshop on General Obligation Bond Capital Plan Rollout; B) Bond Issue for 21st Century Schools audit, Review and Monitoring Plan – The Office of Management and Compliance Audits

Mr. Jaime G. Torrens, Chief Facilities Officer, made a presentation on the *General Obligation Bond (GOB) Capital Plan Rollout*, which he explained was previously presented to the School Board as a workshop, on January 17, 2013. The Committee received the presentation with positive comments.

Ms. Silvia Rojas, Treasurer, then gave a brief overview on the financial aspect of the GOB noting that the interest rates are at a historically low point. This, she pointed out, will go along with the guiding principles of the program which is to minimize the cost to taxpayers. She explained that there are various vehicles they are considering, such as a standard 30 year fixed interest rate or a draw down on a line of credit.

In response to a comment regarding negotiating with banks, Ms. Rojas mentioned that they have received 21 bank proposals, which have given them ideas on how to proceed. She assured the audience that whatever type of issuance will be done on a competitive basis, to make sure they obtain the lowest cost.

In response to another question regarding fixed interest rates, Ms. Rojas stated that the Treasury Advisory Committee met on January 22, 2013, and considered the two vehicles, the fixed rate lock and the draw down line of credit. She stated that staff is reaching out to the market (all public competitive – not private) to find the lowest cost, and will bring back the findings to the Treasury Advisory Committee for its advice, by the end of March 2013, before finalizing the financing plan.

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Ms. Kairalla gave accolades to the Treasury Advisory Committee and commented how much she has learned by attending its meetings.

Mr. Torrens stated that the Oversight Committee will begin meeting very soon and noted that its duties and responsibilities are primarily to ensure transparency and to make sure that the District lives up to its commitment to the community.

The Committee received the presentation with positive comments.

This report was presented for informational purposes only; therefore, no transmittal to School Board by the ABAC was required.

The Chief Auditor introduced the updated Audit, Review and Monitoring Plan associated with the Bond Issue for the 21st Century, which went as a proposal to the ABAC at its December 4, 2012, meeting. The Chief Auditor incorporated the recommendations, made by the Committee, which are highlighted to facilitate its review.

In response to a question regarding how many staff members OMCA is planning to add for the bond program, the Chief Auditor responded that the Superintendent has committed to provide support for the operation. He also stated that it may be premature to comment on exact number of staff members to be added, but he is planning to add one or two auditors in the coming months and redirect resources within his office to help in this endeavor. He cautioned the Committee about the financial difficulties that the District is still facing.

Dr. Feldman pointed out that page 18 of the report makes reference to representation at the School Bond Advisory Committee (SBAC) from a member of the State Senate and another from the House of Representative when it had been agreed to representation from the Dade Delegation. The Chief Auditor concurred with Dr. Feldman and stated that the statement will be corrected on the report.

Mr. Salver registered for the record his strong objection on the composition of two tier memberships system for the SBAC that consists of School Board members having a voting alternate and the rest of the SBAC not having a voting alternate.

In response to some comments regarding the Committee's role pertaining to SBAC, the Chief Auditor promised to keep the Committee informed about the SBAC progress.

The Superintendent commented that before the Chief Auditor made a request for additional staff, he had volunteered to provide it because it is of the highest importance to have a very strong department scrutinize the implementation of the bond. He also stated that his biggest concern on the GOB is the political interference.

There was no further discussion. A motion was made by Mr. Sanchez-Medina, seconded by Mr. McGhee, which carried unanimously, to recommend a correction on page 18 of the report to read only Dade Delegation and that the Monitoring Plan – The Office of Management and Compliance Audits, be received and filed by the School Board.

4. The School Board of Miami-Dade County Florida Single Audit Reports in Accordance with OMB Circular A-133, June 30, 2012

The Chief Auditor presented the item and introduced Mr. Donovan Maginley, Engagement Partner for McGladrey LLP, for the presentation.

Mr. Maginley, introduced the Single Audit Reports In Accordance With OMB Circular A-133 for the Year Ended June 30, 2012, (commonly referred to as the Single Audit). He explained that this document comprises the Independent Auditor's reports on internal control over financial reporting and other matters related to the audit of the District's financial statements and on the District's compliance with requirements related to major federal programs. For the year ended June 30, 2012, the District reported approximately \$500 million in federal award expenditures. Mr. Maginley noted that the report contains an unqualified opinion regarding the District's internal controls over financial reporting, which is the best opinion that can be bestowed and there were no questioned costs. There was, however, an instance of non-compliance related to the untimely inventorying and tagging of equipment acquired with certain federal funds. Mr. Maginley also observed that there were no disagreements with management and that the prior year findings have been corrected.

After the presentation, Mr. Thornburg asked if the reference on page 3, pertaining to non-compliance, is related to the tagging of inventory and Mr. Maginley responded in the affirmative.

Mr. Sanchez-Medina asked if the inventory issue was strictly timing and Mr. Maginley responded that it is more than strictly timing because the inventory requirements are for them to be performed every two years, when it comes to grant monies, and they were not done.

The Superintendent expressed for the record that although he appreciates how the report is being presented and accepts the finding, he pointed out that the introduction of this audit lacks perspective because the total expenditures were approximately \$500 million and emphasized that to manage a program of this magnitude, without any significant deficiencies and liabilities to the District, is phenomenal.

The Chief Auditor explained that when performing single audits the auditor has no discretion as to the magnitude of the findings that will be reported (materiality cannot be considered) and that if this had been a regular audit this finding will be so insignificant that it would not have been reported. Mr. Maginley concurred with the Chief Auditor.

Mr. Salver asked if this report concludes McGladrey's overall engagement with the School Board and Mr. Maginley responded in the affirmative.

Dr. Feldman asked Mr. Maginley to read for the record the last sentence of the first paragraph on page two of the report, which he read as follows: "The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards."

The Committee was very pleased with the results of the audit recognizing that the finding reported was minimal, especially given the size of the expenditures and awards reviewed. The Committee also expressed its satisfaction with the external auditors' performance.

There was no further discussion. A motion was made by Mr. Salver, seconded by Mr. McGhee, which carried unanimously, to recommend that the Single Audit Reports in Accordance with OMB circular A-133, June 30, 2012, be received and filed by the School Board.

EXTERNAL AUDITS:

5. Financial Statements of The Foundation for New Education Initiatives, Inc. for the Year Ended June 30, 2012

Ms. Iraida Mendez-Cartaya, Assistant Superintendent, presented the results of the financial audit of the Foundation for New Education Initiatives, Inc. for the year ended June 30, 2012, which contained no findings.

Mr. Thornburg suggested that the Foundation consider distributing the cash deposits (above \$250,000) among several financial institutions to enhance community relations, which should help generate money for the Foundation, and increase insurance coverage. Ms. Mendez-Cartaya stated that she will submit his recommendation to the Foundation's Board of Directors.

In response to Mr. Salver's request to elaborate on the organization's purpose, Ms. Mendez-Cartaya explained that the organization was created to allow the school system to access supplemental funding, which under the structure of the school system makes the school District ineligible to apply for those funds. She stated that because the state and federal funding has declined, the District sought other vehicles to attain supplemental funding, under the Superintendent's leadership.

Mr. Salver asked if the organization's governing body is parallel to the School Board's governing body. Ms. Mendez-Cartaya responded that the Foundation's Board is not parallel to the governing body of the School District and noted that pursuant to the enacted legislation that established the Foundation, the required members are the Board Chair, Superintendent and the PTA President and the remaining members, which is the vast majority, are appointed from the private sector.

In response to Mr. Rasco's question, Ms. Cynthia Borders-Byrd, CPA, LLC, Auditor for the Foundation, explained that during the year, the Foundation received a grant from the Knight Foundation which required matching funds. She explained that several funds were matched with tickets to cultural events. A list of the donors was provided to her and she sent confirmation letters to donors who made in-kind contributions, which helped to earn the \$1 million grant.

Dr. Feldman asked if the District markets or makes it known to entities about making a donation to the Foundation. Ms. Mendez-Cartaya responded that the Foundation has a robust fundraising campaign that reaches out to all organizations.

There was no further discussion. A motion was made by Mr. Thornburg, seconded by Mr. Sanchez-Medina, which carried unanimously, for the Foundation to consider the recommendations from the Committee and to recommend that the Financial Statements of

The Foundation for New Education Initiatives, Inc. for the Year Ended June 30, 2012 be received and filed by the School Board.

6. Presentation of 41 of 107 Charter Schools' Audited Financial Statements FYE June 30, 2012

The Chief Auditor provided information on the audited financial statements of 41 charter schools for the year ended June 30, 2012. According to the OMCA's review, 36 of these charter schools were free of significant fiscal concerns; however, there were issues with five charter schools: the Academy of Arts and Minds, Doral Academy Charter, Oxford Academy, Mavericks North Miami-Dade and Mavericks South Miami-Dade.

Mr. Montes de Oca asserted that pursuant to the recommendations at the December 2012 ABAC meeting, the Academy of Arts & Minds Charter High School's representative has provided documentation in response to questions that the Committee had; which is satisfactory for the time being. The Chief Auditor also noted for the record that the school's representative has reaffirmed the school's goal, of appointing seven governing Board members. The Chief Auditor stated that his office intends to follow-up on the status of the school's corrective action within a year from this meeting.

Mr. Thornburg gave accolades to the Chief Auditor and the school for making progress in one area, but expressed reservations regarding the interlocking directorship that took one year to unravel. Ms. Kairalla suggested that the parents should have representation at the Board meetings.

Commenting on a discussion regarding internal procedures within the District to monitor Charter Schools, the Chair indicated that in his observation it is a matter of resources. The Chief Auditor concurred with the Chair's observation and explained that there is also a lack of resources in his office to handle the large volume of work related to Charter Schools. He emphasized that there are monthly and quarterly unaudited charter schools financial statements submitted to the Charter School Operations Office and if they identify an issue it is referred to his office for follow-up.

In response to a question regarding if charter schools' Board meeting minutes are published in the District's website, Ms. Pauline responded that the minutes are uploaded quarterly in the Compliance Management System and because of the capacity issue, some of the minutes were not uploaded during the last quarter.

In response to another question regarding if charter schools' Board meetings are open to the public, Ms. Pauline responded that since the meetings are governed by the Sunshine Law, they are open to the public and based on their schools' contract, they should also be posted in the District's Master Calendar.

The Chief Auditor made a brief presentation on the proposed audits of Mavericks North Miami-Dade and South Miami-Dade High Schools and stated that the Inspector General for Palm Beach County Public Schools had published a report claiming that the school agreed to pay back \$159,000 on FTE overcharges to that District. Also based on a related press publication and the financial conditions of these schools in Miami-Dade, the Chief Auditor

recommends that the District not award capital outlay funds and he intends to perform an audit of these schools. The Chief Auditor explained that in his audit plan, which was approved by the Committee in September 2012, he asked for some latitude to add audits he considered necessary and he is adding these two schools to his audit plan.

Ms. Lauren Hollander, Mavericks Education, clarified for the record that these schools are very independent and each school has a unique financial situation. She stated that the schools were placed on a distress plan last year and they are on task to execute accordingly. She feels that the Mavericks North Miami-Dade is in a better situation than what the distress plan called for. As it relates to the report from Palm Beach County, she explained that there is an independent school in Palm Beach County with a very different Board and the contents of the report were not accurate. She stated that they self-reported an adjustment for the FTE of seven students and the auditors in that District have acknowledged the inaccuracy.

Mr. Julio Miranda, Assistant Chief Auditor, gave a brief overview on Oxford Academy's finances and stated that this school is in a negative financial situation and he recommends not releasing capital outlay funds to this school. The Chief Auditor clarified that he is not proposing an audit at this school, but is only reporting the financial conditions to the Committee.

In response to a question regarding what must be done pertaining to the financial conditions of this school, the Chief Auditor again reminded everyone of the lack of resources in his office; therefore, he is proposing to have an action plan on the part of the school advising the District on how the administration intends to correct their financial situation.

Ms. Angela Klindinst, Principal at Oxford Academy, introduced herself and stated that this is her fifth year at the school. She explained that the school had an FTE increase of over 40 students, which is part of the action plan that was submitted in October 2012. She feels that their plan is working; however, she stated that the success of this plan depends on the school receiving the capital outlay funds in February 2013. The Chair suggested that the school's auditors interact with the Chief Auditor's office to keep the Committee up-to-date with the financial situation. Ms. Klindinst asserted that because the school did not receive the capital outlay funds on time, they had to secure a line of credit of \$100,000 and explained that the \$116,000 deficit is related to debt service. The Chair commented that the line of credit does not address the financial issues and suggested that the school address this issue in its financial action plan.

Dr. Feldman requested a student enrollment status report from the school for the next ABAC meeting. Ms. Klindinst agreed to provide the report.

Mr. Thornburg asked if the Audit Department has the corrective action plan that was submitted to the Commissioner of Education. Mr. Jon Goodman, Executive Director, responded that he is working with the school and the Department of Education to forward a final corrective action plan from the school which is acceptable to the District. The Committee requested an update on the school's corrective action plan by its meeting of March 2013.

A motion was made by Mr. Salver, seconded by Mr. Sanchez-Medina, which carried unanimously, to accept the recommendations from the Chief Auditor regarding Academy of Arts and Minds, Oxford Academy, Mavericks North Miami-Dade and Mavericks South Miami-

Dade, and that their financial statements be received and filed by the School Board.

The Chair recused himself from participating in the discussion of Doral Academy Charter, due to a possible conflict-of-interest, since a partner in his firm advises the school. For that reason, he handed the gavel over to the Vice Chair and stepped out of the room.

The Chief Auditor explained that although Doral Academy Charter School's financial position is strong, he has concerns regarding the advancement of \$400,000 by the school to Doral College and the propriety of expenses related to improvements to its leased premises. The Chief Auditor recommended for the record, that based on the "right to audit" clause in the charter contract, that an audit be conducted at this school regarding these two issues, noting other issues may arise during the audit which he may be professionally required to pursue.

Mr. Luis Fuste, representative from Doral Academy Charter High School, provided a brief synopsis of the school and explained that the school submitted documentation concerning the issues presented and noted that while conducting his research, he discovered that it is not uncommon practice for M-DCPS to also improve leased facilities.

In response to a question regarding if the improvements were contemplated in lieu of increased rent, Mr. Fuste responded that the rent did not increase and explained that there is a promise in the agreement that if the school did not fulfill the entire lease, the school will be reimbursed for a portion of the improvements.

The Superintendent conceded that under the previous administration, the District had paid for improvements to leased properties and that it made fiscal sense to renew the lease on this property, when it came due. However, he emphasized that under his administration he has not authorized any such transaction and does not agree with the practice.

Mr. Salver asked if charter schools' are legally allowed to use their funding freely or should the Committee dictate how the schools spend their funds. Mr. Goodman responded that charter schools are not allowed to freely spend their funds and that the Florida Statutes explicitly state that it is the District's responsibility to monitor revenues and expenditures of the charter schools.

Mr. Julio C. Miranda, Assistant Chief Auditor, reiterated the District's fiduciary responsibilities and remarked that in his professional opinion, given what was found during the review of the financial statements, an audit should be conducted.

After substantial specific discussion regarding the school's finances among ABAC members, District and the school's administrations, a motion was made by Mr. Thornburg, and seconded by Mr. Rasco, which carried unanimously, for the Chief Auditor to go forward in conducting the audit.

Mr. Rodriguez requested if the audit can be conducted after the FCAT week. The Chief Auditor stated that academics are very important and agreed with his request.

Mr. Thornburg gave accolades to the Vice Chair for a job well done in handling this discussion.

The Chief Auditor presented the remaining 36 charter schools that had no significant fiscal issues.

There was no further discussion. A motion was made by Mr. Sanchez-Medina and seconded by Mr. Thornburg, which carried unanimously, to recommend that all 41 charter financial statements be received and filed by the School Board.

7. Monthly Financial Report Unaudited – For the Period Ending November 2012

The Chief Auditor introduced the item and stated that the purpose of this monthly financial report is to inform the Committee about the current financial condition of the School System.

Ms. Connie Pou, Controller, introduced the November 2012 monthly financial report stating that it was approved by the School Board at its January 15th meeting and welcomed any questions.

This report was presented for informational purposes only; therefore, no transmittal to School Board by the ABAC was required.

8. Internal Audit Report – Selected Schools

Ms. Maria T. Gonzalez, Assistant Chief Auditor, presented the Internal Audit Report - Selected Schools for the month of January 2013 containing the results of 36 school audits. She stated that 33 of the 36 schools had no significant findings and property inventory results were satisfactory. She noted that the three schools with findings had a theft of a deposit, and disbursement and data security control issues. She welcomed any questions.

There were some specific questions from Committee members which were answered by Ms. Gonzalez and the administration. A motion was then made by Mr. Thornburg seconded by Mr. Sanchez-Medina, which carried unanimously, to recommend that the Internal Audit Report - Selected Schools be received and filed by the School Board.

9. Office of Management and Compliance Audits' Activity Report

The Chief Auditor presented the Office of Management and Compliance Audits' Activity Report, stated that it outlines what has transpired since the last ABAC meeting and welcomed any questions.

The Chair gave accolades to the Chief Auditor and his staff for a job well done.

This report was presented for informational purposes only; therefore, no transmittal to School Board by the ABAC was required.

10. Memorandum Regarding Amendments to Bylaw of Friends of WLRN

The Chief Auditor introduced the item and asked Mr. Walter J. Harvey, School Board Attorney, if he could address the matter of the amendments to the bylaws of Friends of WLRN (Friends) and the inquiries made by School Board Chair Ms. Perla Tabares Hantman, at the December 4, 2012, ABAC meeting, regarding the progress on her previously suggested revisions to the bylaws of Friends. Mr. Harvey explained that pursuant to his consultation with the current Chair, Mr. Michael Krietzer, and the former chair of Friends, a written response to the School Board Chair and the ABAC regarding this particular matter is forthcoming.

Dr. Feldman suggested that the School Board Attorney provides a letter to the School Board Chair on how he will be resolving this issue. Mr. Harvey noted that Mr. Krietzer indicated to him that he would prepare a letter to address the progress that has been made and wants the opportunity to communicate it directly to this Committee.

A motion was made by Dr. Feldman, seconded by Mr. Sanchez-Medina to instruct the School Board Attorney to send a letter to the appropriate authority that represents Friends and ask them to provide, within 30 days, a response to the request of the School Board Chair through this Committee.

This report was presented for informational purposes only; therefore, no transmittal to School Board by the ABAC was required.

NEW BUSINESS

None.

OLD BUSINESS

None.

Adjournment

There being no further business to come before the Committee and upon motion duly made and seconded, the meeting was adjourned by Mr. Shapiro at 3:04 p.m.

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