

**MINUTES OF THE SCHOOL BOARD AUDIT AND BUDGET ADVISORY COMMITTEE
OF MIAMI-DADE COUNTY PUBLIC SCHOOLS
REGULAR MEETING
January 30, 2023**

The School Board Audit and Budget Advisory Committee (the ABAC or the Committee) met on Monday, January 30, 2023, in the School Board Administration Building, SBAB Auditorium, at 1450 N.E. Second Avenue, Miami, Florida.

Call to Order

ABAC Chair, Mr. Christopher Norwood, J.D., called the meeting to order at 12:37 p.m.

1. Welcome and Introductions

ABAC Members Present
Mr. Christopher Norwood, J.D., ABAC Chair
Dr. Steve Gallon III, School Board Member/ABAC Member
Mr. Anthony Atala, Esq., ABAC Member
Mr. Juan D'Arce, ABAC Member
Ms. Chloe Bordon-Gillenwater, Esq., ABAC Member
Mr. Juan Carlos Gonzalez, CPA, ABAC Member
Ms. Anna Hochkammer, ABAC Member
Mr. Julio C. Miranda, CPA, CFE, ABAC Member
Ms. Sharon Watson, ABAC Member
Ms. Mary L. Snipes, Alternate ABAC Member
Mr. Ron Y. Steiger, Chief Financial Officer, Ex Officio (Non-Voting) Member of the ABAC
Mr. Jon Goodman, Chief Auditor
ABAC Members Absent
Mr. Juan del Busto, ABAC Member
Mr. Stephen Hunter Johnson, Esq., ABAC Vice Chair

Others in Attendance	
Ms. Mari Tere Rojas, School Board Chair	Ms. Lourdes Amaya, School Board Admin. Assistant
Dr. Jose L. Dotres, Superintendent of Schools	Ms. Selin Pichs, School Board Administrative Assistant
Mr. Walter J. Harvey, General Counsel	Ms. Latisha Green, Assistant to the Chief Auditor, OMCA
Mr. Jose Bueno, Chief of Staff	Ms. Elsa Berrios-Montijo, District Analyst, OMCA
Dr. Dawn M. Baglos, Chief Human Capital Officer	Mr. Al Chicoy, Creative Director, WLRN
Ms. Vivian Santiesteban-Pardo, Chief Comm. Officer	Mr. Adson Pressage, Director, WLRN
Dr. John D. Pace III, Deputy Superintendent	Mr. John Stubbs, Director, WLRN
Ms. Tabitha Fazzino, Chief Intergovernmental Affairs & Family & Community Engagement Officer	Mr. Nicholas Moreton, ITS
	Mr. Hector Ortiz, Assistant Inspector General, OIG
Ms. Tiffanie Pauline, Chief Strategy Officer	Mr. Jose Gonzalez, Special Agent, OIG
Mr. Eugene P. Baker, Chief Information Officer, ITS	Mr. John Labonia, CEO, Friends of WLRN
Dr. Dwight A. Bernard, Assistant Superintendent	Ms. Sheila Reinken, Chief Oper. Officer, Friends of WLRN
Mr. Rene Mantilla, Assistant Superintendent	Ms. Stephanie Vega, CFO, Friends of WLRN
Ms. Charisma Montfort, Chief Procurement Officer	Mr. Anil Harris, Sr. Manager, RSM US LLP
Ms. Daisy Naya, Controller	Ms. Cynthia Borders-Byrd, CBorders-Byrd, CPA LLC
Ms. Rafael Villalobos, Region Superintendent	Mr. Jeff Kaufman, Former ABAC Member
Ms. Tamara Wain, CPA, Assistant Chief Auditor, OMCA	Mr. Erick Wendelken, Former ABAC Member
Ms. Gloria Arazoza, Region Administrative Director	Ms. Ana Martinez, CFO, Academica
Ms. Lucy Iturrey, Region Administrative Director	Ms. Monique Cruz, Mgr., Academica
Mr. Andrew Ruiz, WLRN Mgt. Liaison	Ms. Sarah Alvarez, Fin. Specialist, Academica
Ms. Maria G. Zabala, Administrative Director	Ms. Marlene Vicente, Grant Specialist, Academica
Mr. Luis O. Baluja, CISA, District Director, OMCA	Mr. Angelo F. Rolle, HLB Gravier, LLP, Academica
Mr. Reinaldo Montano, District Director, CIU	Mr. Daniel Fernandez, Director, ALS Education, LLC
Mr. Richard Yanez, CPA, District Director, OMCA	Dr. George Kafkoulis, President, Archimedean Schools
Mr. Edward McAuliff, Executive Director	Mr. Dimitrios Bardoutsos, Chief Exec. Ofr, Archimedean
Ms. Elvira M. Sanchez, Executive Director, OMCA	Mr. Wyatt Truscheit, CFO, Smart Mgt., BridgePrep
Mr. Leroy Anderson, Supervisor	Mr. Larry Rivera, Mgr., Smart Mgt., BridgePrep
Mr. Michael Hernandez, CPA, Audit Supervisor, OMCA	Ms. Monique Bustamante, VDTA CPAs, BridgePrep
Mr. Alejandro Santana Alvarez, IT Auditor, OMCA	Mr. Alejandro Trujillo, VDTA CPAs, BridgePrep
Mr. Erick O. Blanco, Cybersecurity Analyst, OMCA	Mr. Alejandro Madrigal, Principal, CG Bethel High School
Ms. Wanda Ramirez, Senior Auditor	Mr. Daniel Walke, Principal, Chambers High School
Ms. Kaila Leconte, Investigator, CIU	Dr. Eunice Casey, Director, Edison Learning
Ms. Marlene Hernandez, School Bd. Chief of Staff	Mr. Jorge I. Alvarado, CPA, FL High Schools/Acc. Learning
Ms. Tessa Villarreal, School Bd. Chief of Staff	

2. Recognition of Former ABAC Members

ABAC Chair Mr. Christopher Norwood began by stating that it was a good time to recognize previous members of the ABAC and asked Chief Auditor Mr. Jon Goodman to continue.

Mr. Goodman continued by recognizing the “outstanding contributions of two individuals whose terms as ABAC members have recently come to an end.” Both Mr. Jeff Kaufman and Mr. Erick Wendelken served on the committee from 2015 through 2022, with Mr. Wendelken serving as Chair for more than 5 years. These gentlemen poured their hearts and souls into this volunteer position while also holding very demanding, responsible day jobs in the business and accounting professions. Mr. Goodman thanked them for their service and presented them each with a plaque to commemorate their service. He then asked them to stand for a round of applause.

Before moving on to the next item, ABAC/School Board Member Dr. Steve Gallon III took an extra moment to acknowledge Mr. Wendelken’s and Mr. Kaufman’s dedication and service to the board as well as the community.

3. Approval of the Minutes of the School Board Audit and Budget Advisory Committee Meeting of December 5, 2022 (ACTION)

ABAC Chair Mr. Norwood presented the minutes of the December 5, 2022 ABAC meeting and inquired if there were any questions regarding the minutes.

There being no questions or comments, a motion duly made by ABAC member Mr. Anthony Atala, seconded by ABAC member Mr. Julio Miranda, was carried unanimously to approve and file the **Minutes of the School Board Audit and Budget Advisory Committee Meeting of December 5, 2022.**

4. Presentation of the Special-Purpose Financial Statements and Report of Independent Certified Public Accountants Operation of WLRN Television and Radio Stations for the Year Ended June 30, 2022 (ACTION)

Mr. Goodman introduced Ms. Cynthia Borders-Byrd, CPA, who conducted the WLRN audit and will present the results.

Ms. Borders-Byrd continued by explaining that they have completed their audit of WLRN for the fiscal year ending in 2022 and have issued an unmodified opinion on the financial statements and no findings. The report has been issued and each board member received a copy.

Ms. Borders-Byrd explained that during fiscal 2022, WLRN adopted GASB statement number 87 regarding leases. This did not have any material effect on the financial statements. There were no difficulties encountered in performing the audit and no audit adjustments. There were client proposed adjustments, which is normal, but there were no audit adjustments. There were no disagreements with management regarding any

issues. A management representation letter signed by (M-DCPS) superintendent, the (M-DCPS) CFO and others was obtained.

Ms. Borders-Byrd stated she is not aware of any consultation with other independent certified public accountants. She then opened the floor to questions.

There being no questions or comments, a motion duly made by ABAC member Mr. Anthony Atala, seconded by ABAC member Ms. Sharon Watson, was carried unanimously to recommend that the **Presentation of the Special-Purpose Financial Statements and Report of Independent Certified Public Accountants Operation of WLRN Television and Radio Stations for the year ended June 30, 2022** be received by the School Board.

5. Internal Audit Report – Selected Schools/Centers (ACTION)

Mr. Norwood turned the floor over to Mr. Goodman who introduced Ms. Tamara Wain, Assistant Chief Auditor, to commence the presentation and discussion of this item.

Ms. Wain began presenting the January school audit report which includes 30 schools and centers for the fiscal year ending June 30, 2022. For two of the schools, the audit scope covered two years instead of one. At four schools there was a change of principal and administrators since the prior audit. The audits disclosed that controls over disbursements, financial management, pre-numbered forms, teacher certifications and payroll functions need improvement. The findings for two of the schools were discussed with the school, the region and the district administrators for each school, and their responses are included in the audit report. Property inventory audits were conducted at all 30 schools and found to be mostly satisfactory. Ms. Wain then opened the floor to any questions.

Mr. Atala asked for further clarification regarding the Southwest Senior High School payroll issue. Ms. Wain explained that the school was cited for payroll because the records were incomplete and disorganized. The audit team selected several pay periods to review and found that during 7 of these pay periods the school had not kept sign in records based on a requirement for full-time employees to sign in through an app each workday upon arrival. This issue affected 188 employees. In addition, 3 pay periods were found to have issues with leave cards. When employees are absent from work, they must submit a leave card and get it approved by a supervisor. The payroll clerk must then make sure that the absence is properly recorded. The auditors found that some of the leave cards for the selected periods were either incomplete or not on file and that the leave of absence was not properly recorded. For these instances, the auditors made sure payroll corrections were made before leaving the school. There were also issues with part-time employees. They must sign in and out manually to track their hours worked. The auditors found that there were several employees who were not doing this. After discussion with the principal, the auditors learned that the part-time employees have been present but just not signing in and out. There were other issues with discrepancies of underpayments, miscalculation of hours, and some instances

where the payroll clerk had anticipated part-time and overtime hours which is not allowed for hourly employees.

Mr. Atala asked two follow up questions, does this affect all employees including faculty and teachers and does this mean that we underpaid or overpaid staff in these schools. Ms. Wain responded that in regards to the full-time employees, those instances were overpayments. Leave was not recorded properly for those employees. Regarding the part-time employees, it was an issue of underpayment of a total of 9 hours because the hours were not recorded correctly. Mr. Atala followed up by asking if the overpayments have been returned and the underpayments compensated. Ms. Wain explained that the school will deduct overpayments from employee leave time.

Dr. Gallon expressed concern about the basic procedures not being followed for internal funds, school operations and payroll in this instance. He asked how long the principal and payroll official been on staff at this school. Dr. John Pace III, Deputy Superintendent, responded that the current principal was just assigned this year, but the principal under whom these findings manifested under had been there approximately 5 years. Ms. Wain added that there was a change in payroll clerks throughout the 2-year audit period. During the audit, the new payroll clerk had left and was replaced by the previous person who held the position. The findings in question had occurred under both payroll clerks. The previous payroll clerk came back into position under the new principal.

Dr. Gallon ceded the floor to Mr. Atala who asked if this issue affected all employees at the school. Ms. Wain replied that it did.

Mr. Atala then switched gears to focus on Palmetto High School, asking for clarity on the issue with teacher certifications and if it was about payment for those certifications. Ms. Wain responded by explaining that this was part of our FEFP/FTE audit at the school. She explained the process for this type of audit. Ms. Wain also pointed out that the Auditor General's office is currently auditing our district for this same type of FEFP audit. Mr. Atala then asked if the issue with Palmetto was resolved. Mr. Goodman responded that the administration would be the best source to answer that. Dr. Pace answered that the out of field wavers have been signed by the appropriate teachers and that information has been sent to the parents of children in those classrooms to make them aware of the situation. Mr. Atala asked if we have fixed the certification issue to which Dr. Pace responded yes, it was part of the process. Ms. Wain added that the teacher certification department has been notified about those specific teachers and are working with those teachers to make sure they are in compliance.

There being no additional questions or comments made by the Committee, a motion was made by ABAC member Ms. Anna Hochkammer, and seconded by ABAC member Mr. Anthony Atala, carried unanimously to recommend that the **Internal Audit Report – Selected Schools/Centers** be received by the School Board.

6. Review of Charter Schools' Financial Statements Presentation for 43 of 145 Charter Schools Audited Financial Statements for the FYE June 30, 2022 (ACTION)

Mr. Norwood introduced the next item and then called on Mr. Goodman. Mr. Goodman introduced Mr. Michael Hernandez, Audit Supervisor and CPA, who proceeded to commence presentation and discussions on this item.

Mr. Hernandez presented the audited financial statements of 43 of the 145 charter schools for the fiscal year ended June 30th, 2022. Ten of these charter schools had a deficit balance and/or a deficit net position as of June 30th, 2022. None of these 43 schools have a financial emergency or deteriorating financial condition. The conditions at these ten charter schools are being presented to apprise the ABAC and for future monitoring and follow-up by our office. Representatives from the Office of Charter School Compliance and Support as well as representatives from the 43 charter schools are present and available to answer any questions the committee might have.

Mr. Norwood asked about Bridgeprep Academy of Village Green charter school and what it meant that the school had split its master school ID. Mr. Hernandez responded that for the current fiscal year, this school has been split into two separate entities, a middle and high school, with separate financial statements. Mr. Norwood asked about the effect on the schools' financial statements. Mr. Hernandez responded that management was probably better able to answer this question but that there was some splitting of expenditures.

Mr. Goodman then asked for the representative from Bridgeprep Academy to come forward. Mr. Wyatt Truscheit, CFO from Bridgeprep Academy, explained that they use a fairly straightforward methodology for splitting expenditures which are allocated on a per student basis. Mr. Norwood followed up to ask about the charter school ID and whether or not these entities are using the same ID number. Ms. Tiffanie Pauline, Chief Strategy Officer, responded that they use two separate IDs and are two separate and distinct legal entities.

There being no additional questions or comments made by the committee, a motion was made by ABAC member Mr. Anthony Atala and seconded by ABAC member Mr. Juan Carlos Gonzalez, was carried unanimously to recommend that the **Review of Charter Schools' Financial Statements Presentation for 43 of 145 Charter Schools Audited Financial Statements for the FYE June 30, 2022** be received by the School Board.

7. Cybersecurity Projects and Related Activities (INFORMATIONAL)

Mr. Norwood introduced the next item on the agenda and then called on Mr. Goodman to continue. Mr. Goodman explained that the school board has contracted with a cyber security firm to serve as an adjunct to our office for various cyber security testing and assessment. Mr. Luis Baluja, District Director and Certified Information Systems Auditor will present the status of their initial work.

Mr. Norwood interjected to ask if Mr. Goodman would give us a summary of what the audit function of the cyber security issues are for the benefit of the new ABAC members.

Mr. Goodman responded that we hire an external firm through the RFP process to help our office in the independent conduction of various cyber security tests. A “pen test” is being done once per year and the independent firm is also doing risk assessments for us. This firm is working with our very capable team, led by Mr. Baluja, to conduct these tests. In addition, the ITS team, led by Mr. Eugene Baker, does their own work to test cyber security to create a two-pronged approach.

Mr. Baluja continued by providing details on the current pen test. The first phase of pen testing covered various technical domains. The results of those tests were shared with management who is currently working on implementing corrective actions. This was the first of three such testing projects as described by Mr. Goodman in terms of the current contract with the vendor we are working with. Additional testing activities will be performed over the next two fiscal years with the goal of making continuous improvements to the district security posture. The next phase of the OMCA’s cyber security program involves a district wide risk assessment to evaluate the overall IT environment and provide a comprehensive analysis of potential threats related to areas such as the following: infrastructure and hardware, disaster recovery and business continuity, physical security, systems and applications, security controls and practices, human resources, and overall compliance with generally accepted standards, particularly those published by NIST, the National Institute of Standards and Technology. Mr. Baluja also explained that the pen test is the third such test we have conducted year over year for the past 3 years. He then opened the floor up to questions. Mr. Atala asked if this test includes all the school district’s computers and cell phones. Mr. Baluja responded that anything that goes through our network is being tested. Cell phones would not be included unless they had connected to a wireless access point.

Mr. Goodman interjected that it was important to note that this testing would cover everywhere there could be a vulnerability and that he didn’t want to get into specifics on which ones they are going to test now or next year.

Dr. Gallon thought it may be prudent to have our staff debrief committee members because of the restrictions in place pertaining to discussion on cyber security matters in a public forum.

ABAC member Ms. Anna Hochkammer wanted to take this opportunity to congratulate the school board members and the administration. For the past 18 months they’ve been expressing significant concerns. They have had several closed-door meetings because of security concerns. To see this many complicated contracts going out to RFP and bidding out and the amount of activity from the administrative side in being proactive is refreshing. She has also heard that training is happening for faculty and staff, including smart behaviors online. Ms. Hochkammer hopes that we will continue to have this kind of vigor and agility when it comes to cyber security and in the meantime congratulations.

Mr. Norwood asked if there were any other questions or comments. Hearing none, he asked if Mr. Goodman would plan to meet with some of the ABAC members to get them up to speed on the cyber security issues. Mr. Goodman responded that he would do so with respect to the restrictions required for these issues.

Mr. Eugene Baker, Chief Information Officer, wanted to add that in addition to the other features and solutions they are putting in place, they have also formed a technology advisory committee to help oversee and discuss our technology strategies going forward.

Mr. Atala followed up with a request to table this item until a future date so that the newer members of the committee would have the opportunity to get up to speed. Mr. Norwood noted that this item is for informational purposes only and they would not be voting on this item. But Mr. Atala's concern is duly noted, and Mr. Goodman would be willing to meet with individual ABAC members to discuss this issue.

No other questions or comments were posed. This item was presented for information purposes only; therefore, no transmittal to the School Board by the ABAC is required.

8. Office of Management and Compliance Audits' Activity Report (INFORMATIONAL)

Mr. Goodman stated that this is his office's activity report which delineates completed projects and the status of those in progress. Mr. Goodman welcomed Ms. Kaila Leconte, new hire for the Civilian Investigative Unit. She has a bachelor's degree in criminology from the University of Central Florida. Mr. Goodman also congratulated Ms. Wanda Ramirez, who was promoted to Senior Auditor in the school audits division. She holds a bachelor's degree in accounting from Florida International University.

Mr. Goodman was prepared to answer any other questions or comments the committee members may have on the activity report about completed or ongoing audits.

No questions or comments were posed. This item was presented for information purposes only; therefore, no transmittal to the School Board by the ABAC is required.

9. Approved School Board Agenda Item H-4, Request Authorization for the School Board to Approve the Process for the Development of An Independent Audit/Review of the General Obligation Bond Funded School Improvement Program, School Board Meeting of December 14, 2022 (INFORMATIONAL)

Mr. Goodman explained that this item was proffered at the school board meeting on December 14th, 2022 by school board chair Mari Tere Rojas, and co-sponsored unanimously. The item directs the chief auditor to develop the scope and timelines for the end of program external audit of the general obligation bond program and present said scope to the ABAC. Mr. Goodman plans to present the scope and timelines to the ABAC at the next meeting, April 3rd, 2023 and issuing an RFP shortly after. Mr. Goodman stated he was prepared to answer and questions or comments the ABAC may have.

Dr. Gallon wanted to put on the record, for our new members of the ABAC, that the \$1.2-billion-dollar general obligation bond was of significant importance to this community from an economic standpoint, from an educational standpoint, from a technology standpoint, and from a facility structures standpoint. Over the past 6 years, there have been some real intentional efforts to ensure that we are accountable, transparent and

responsive. We can take pride in the fact that we have not been maligned with any issues regarding our general obligation bond. For the record, this was not done by default but by design. A number of board actions led up to this bond materializing. Thanks were given to Mr. Goodman and staff for their continued work in this particular effort. This has been a continuation of items the board has brought over the past 6+ years.

At this time, Mr. Norwood took the opportunity to have a new ABAC member who had just arrived introduce himself. ABAC member Mr. Juan D'Arce, appointed by school board member Mr. Danny Espino, introduced himself and apologized for being late due to a family emergency.

Mr. Norwood thanked Mr. D'Arce and asked if there were any other questions about the current item.

No other questions or comments were posed. This item was presented for information purposes only; therefore, no transmittal to the School Board by the ABAC is required.

OLD BUSINESS: FOLLOW-UPS ABAC OF DECEMBER 5, 2022

OIG – DRIVER'S ED FINAL UPDATE & \$6.2 MILLION UPDATE

Mr. Goodman introduced this old business as well as Mr. Ron Steiger, CFO, and Mr. Jose "Joe" Gonzalez, representing the Office of Inspector General, both of whom would be weighing in on this subject.

Mr. Norwood took a moment to acknowledge the superintendent for being present.

Mr. Steiger continued by walking through the memorandum on this item which outlines actions taken and the current status. Mr. Steiger explained that we are in a good position with the county and have had good conversations with them. They had requested a written report through the audit department, and it has been given. We all seem to be on the same page about what is going to be reimbursable on this \$6.2 million that we are investing in the driver's education program for things like driving ranges, cars, and cages for the cars. As we move forward in this process and continue to make expenditures that draw down on the \$6.2 million, we are coming to an agreement with the county on what exactly will be reimbursable with new funds moving forward. We aren't taking any new funds from the county until the \$6.2 million are invested on our end.

Mr. Atala asked if this was the same as the impact fees or something different. Mr. Steiger responded it was something different.

Mr. Norwood asked if there were any other questions. Ms. Mari Tere Rojas, school board chair, stepped up to the podium and thanked everyone there for their work before asking about the timeliness of this issue. It was originally stated that it would take some time, but it has been 3 years and Ms. Rojas would like to know what the reason is that we still have not been able to reach an agreement.

Mr. Steiger responded that he doesn't believe that they haven't come to an agreement, and he believes the school board and the county are on the same page. It's just about continuing to make investments in the driver's ed program until we reach the amount we need to get to. He continued that they meet with the county every year to sign a new agreement on what expenses will be eligible for reimbursement and will continue to do this moving forward. Mr. Steiger does not believe we are in a disagreement with the county in any way.

Ms. Rojas expanded upon her concern by quoting the Office of Inspector General's report which stated "regarding the \$6.2 million financial liability owed to the trust fund, the OIG is aware that M-DCPS officials continue to engage with the Miami-Dade county's office of management and budget. However, to our knowledge there has been no acceptable corrective action or agreement on how to resolve the liability. Accounting for the ineligible reimbursements is a threshold matter for M-DCPS to receive future disbursements from the trust fund." The OIG in its final report acknowledged that this would not be an easy task and full reconciliation could take several years.

Mr. Goodman briefly interjected to point out that included in your (Ms. Rojas's) package is a document from Mr. Steiger and his team outlining everything that has been done and where we are right now. This document was dated January 24th while the memorandum from the OIG's office was dated November 30th. The other point is that the liability was \$6.2 million and is now down to approximately \$4 million. Mr. Goodman then turned the conversation over to Mr. Steiger and Mr. Gonzalez.

Mr. Steiger reiterated that we've been confident in our conversations with the county the entire time that we know what we need to do to draw down on this \$6.2 million. The county has been receptive during the entire process. On January 20th we sent the package to Mr. Jimmy Morales at the county who has acknowledged receipt of it and will look through it again. They agree that it looks like we are proceeding correctly. We don't feel in any way that there is a disagreement on what we need to do. The OIG is right that it does take time to get an agreement signed and in writing, but it has never been a concern of Mr. Steiger. At the end of the process the \$6.2 million will be spent and invested in the driver's ed program, creating a much more robust program. Ms. Rojas thanked Mr. Steiger for his response and asked if she could hear from someone from the OIG's office. She was just looking to see if there was some sort of anticipated timeline since it's been almost 3 years since the board has been dealing with this. She wants to make sure that there is full clarity every step of the way and if there is a timeline for when we will have a final agreement.

Mr. Jose Gonzalez, Special Agent and representative of the OIG, continued the conversation stating that there was a meeting January 12th between the county and the school district and the OIG's office continues to monitor progress. He believes the proper steps were laid out and information was shared to be able to continue this process moving forward.

Mr. Atala inquired about the location of the January 24th memo. Mr. Goodman said that it should be the last 2 pages under the "Old Business" section in your package. Mr. Atala could not find it in the electronic copy and was provided with a hard copy.

Dr. Gallon wanted to thank the staff for provided a very comprehensive chronology of this particular issue. One of the points that was missing is that the board took some decisive action on this issue. He proffered an item September 2021 which was unanimously passed to approve a school board policy regarding this issue. Dr. Gallon was concerned as well with respect to the ongoing dialogue with the county but does not want to cast any aspersions on what the county is or is not doing. Dr. Gallon is convinced that the staff has been diligent around their particular efforts. The OIG representative is nodding his head that the staff is really pushing to get some resolution to this. Dr. Gallon then reiterated the concerns that Ms. Rojas had voiced regarding the 2nd page of the OIG's September report. Relative to what's outstanding, have we been able to reach some prospective agreement so that we don't continue to not have access to funds for the benefit of our students. Dr. Gallon is aware that we owe a response which could take several years, but asks if there is any way we can move forward with the lessons we've learned, the gaps that we've found, and some guardrails that we establish for prospective payments now.

Mr. Steiger responded that he has been confident the entire time that he, M-DCPS staff, and county staff know what they need to do to spend this \$6.2 million and in doing so then have access to future funds that the county has available to fund the enhanced driver's ed program. We didn't wait for the county to delineate exactly what will be reimbursed because, in spirit, we came to an agreement really early with the county on what we needed to do. These actions have been taken and are underway. Dr. Gallon wanted to add, for the record, that one of these actions Mr. Steiger had not mentioned is to provide expanding access for charter schools as well. Mr. Steiger agreed. Mr. Steiger continued that as these actions are being done, they are meeting with county and OIG personnel and are all on the same page on what it takes to get that \$6.2 million down. We've already spent over \$2 million have a plan through our facilities department and school operations to spend the entire \$6.2 million. Rest assured that as we get closer to the \$6.2 million we will ramp up pressure on the county to make sure this agreement gets signed so that we have access to those funds moving forward. Mr. Steiger is not in a rush just now because we have only spent \$2 million of the \$6.2 million, but if we get to this point next year and we still don't have an agreement signed then it'll be a different story but Mr. Steiger has no concern that we will not get there.

Dr. Gallon followed up asking if it would be possible to find the sense of urgency Mr. Steiger would have a year from now and apply it now to get this behind us because this is a "dangling modifier", and we would like to wrap this up and put this behind us. There was a lot of consternation, rancor and embarrassment regarding this particular issue. The board took swift action during the meeting of September 15th, 2021, and incorporated policy. Can we try to set a timeline to get some of this resolved? And, from a leadership perspective, what can we do to facilitate that discussion or resolution? This is a shared obligation from the county and the school board because it's something that seeks to serve all of our students.

Mr. Steiger responded that the county has asked for more information that came out of that meeting and we are providing that information now. Mr. Steiger thinks that throughout this process the county has been requesting information and we have been

providing it, and it seems like we are getting to the end of the rope on this. Mr. Steiger anticipates that there shouldn't be any more questions for additional follow up information and then we can move forward. Dr. Gallon thanked Mr. Steiger for his response.

Mr. Atala wished to follow up on the timeline of several years, asking if there is any prospective end date in sight.

Mr. Steiger responded that they are not waiting to have a formal agreement in place to spend the \$6.2 million and are spending it as fast as they can. Mr. Steiger went on to reiterate comments made earlier including that there is nothing holding up the process and once they get close to the \$6.2 million threshold, they will work towards putting in place a formal agreement.

Chief Auditor, Mr. Goodman stated that he sensed continued concern that this is not in writing and asked if M-DCPs can work with the County and get the terms agreed upon in writing, rather than waiting several years. Mr. Steiger stated that M-DCPS is not waiting or holding off, this will get done, it has been a process that has not stalled, continues to move forward and closer to conclusion. The report was written a 1 ½ years ago and we are now at the point that it will get done in the near future. Mr. Steiger stated that the County has no desire for this to stall either and M-DCPS will do everything to get there as soon as possible with much urgency.

Mr. Gonzalez added a point of clarification that once a package has been approved, it still has to be presented before the county board of commissioners. So, it still has another process of voting and can take some time.

Mr. Norwood asked Mr. Gonzalez to explain in 30 seconds why he is here, for the benefit of the new ABAC members.

Mr. Gonzalez explained that the OIG had conducted an investigation related to ineligible expenses being claimed using the driver's ed trust fund that is maintained by the county. The investigation revealed that ineligible expenses to the amount of \$6.2 million were claimed and paid by the county. These expenses did not exist. The claim was that 36 to 37 schools were complying with the program when in actuality it was only 6 schools and then later 3 schools that were complying with the program.

Dr. Gallon followed up on Mr. Goodman's question to Mr. Steiger about if it would be possible to come up with a written framework for the agreement with the county for us to operate under. He would like some documentation of a good faith effort for the due diligence that has been taken even if it's not fully agreed on yet.

Mr. Steiger responded that they will certainly explore that and reach out to their counterparts at the county.

Ms. Hochkammer asked what the timeline is for the plan of action that has been mentioned several times by the administration. Mr. Jose Bueno responded that the plan of action is that they are currently retrofitting 5 facilities to make sure that the pavements, striping and land is accurate. Ms. Hochkammer continued that she assumes those 5 facilities are part of the \$2 million that have been spent already, so what is the timeline

for facilities to spend the leftover \$4 million and change. Mr. Steiger stated that the 5 sites are for the \$6.2 million, and in total we'll have "I forget how many sites at the end." But the plan for the total \$6.2 million is capital improvements including ranges, cars and cages. Ms. Hochkammer responded, "at 5 sites?" Mr. Steiger replied that he believes it's more sites than that. Mr. Bueno followed up to explain that as soon as we get our teachers certified into the program then we will be purchasing the cars. It is a rigorous certification that could take up to a year or a year and half. Some of the schools already have the ranges. He states that in the meantime, they are sending their "folks" out to the ranges to make sure those facilities that have committed teachers to the program will be ready by the time their certifications are done.

Ms. Hochkammer continued that it seems like it's a fairly straightforward process in terms of acquiring the proper capital items, a certain number of teachers that need to be certified, and to deploy this at 5 schools, maybe more. It should not be difficult for the administration to write out a timeline for those capital improvements and provide it to the school board or to the ABAC so we can have a good faith guesstimate from the administration on how many years it's going to take to reach a conclusion on this \$6.2 million liability. She asked how long it would take for the administration to produce that timeline.

Mr. Jose Dotres, Superintendent, responded that this is a very valid request, and they will put together a blueprint of what we expect this to look like. The team will develop [the blueprint] and possibly bring it to the ABAC as a follow-up. We have multiple people working on this from Finance, the Office of Intergovernmental Affairs, and Facilities. The blueprint will have what will be transpiring and what they have done. He acknowledges there has been a lot of targeting on those 5 facilities and understands Ms. Hochkammer would like to know more about the rest of the facilities as well. Moving forward, this blueprint will be the document that we can look at.

Mr. Atala added that this has been an ongoing issue since he joined the ABAC. He asks if there is a chance that this can be brought up as old business at the next meeting with the blueprint and timeline laid out.

Mr. Norwood stated that he assumes this will be another old business item on the upcoming ABAC meeting in April.

No other questions or comments were posed on this issue.

UPDATE ON MIAMI SOUTHRIDGE SR. AND DR. MICHAEL M. KROP SR. FINDINGS

Mr. Norwood introduced this next item and Mr. Goodman continued that Dr. Pace would start the conversation on this issue.

Dr. Pace began by outlining the request made at the December ABAC meeting for how they are working with schools that we cited to ensure the issues cited would not reoccur, specifically at Dr. Michael Krop Senior High and Miami Southridge. Beginning with Dr. Michael Krop Senior High, the principal has met with the assistant principal and treasurer to review the manual of internal funds, specifically school board policy 6610, internal

accounts, to ensure proper accountability and compliance with procedures related to the collection of funds. The principal discussed the reimbursement and requirement of receipt being issued by the treasurer upon exchange of cash and checks. The principal has reviewed section 2, chapter 4 and 5 of the manual for internal funds regarding purchases of \$1,000 to \$50,000 and instructed that disbursement must be documented with the original itemized vendor invoice and signed by treasurer to acknowledge goods and services were received. The principal will ensure that the school has at least three written quotes, one of which is a certified minority vendor, prior to purchase. The principal has also provided copies of the school board policy 6320.02, Minority Women Business Enterprise Certification Procedures, to all faculty and staff with directives to solicit quotations, including one from a certified minority as required by the guidelines. The school principal has also attended the internal funds leader to leader professional development through our money matters support program. Internal reviews have been conducted, financial records by the region director, as well as mentor principal at the end of the first quarter. The next internal review is expected to be conducted in February since we are now at the end of the second quarter. The principal is participating in an induction program and has been assigned a mentor that is a retired expert budget director that meets with the principal monthly to discuss these issues and others. The school treasurer is also attending professional development sessions and has been paired with a mentor from another school and the principal administrative team met with all club sponsors and employees responsible for the collection of funds to ensure compliance with applicable school board policies.

Dr. Pace went on to provide the update for Miami Southridge. The principal reviewed section 2, chapters 4 and 5 of the manual for internal funds with the vice principal and treasurer to ensure awareness and understanding of the proper procedures for general bookkeeping of internal funds. This includes implementation of a system of review over bookkeeping and disbursement procedures. Purchase orders must be approved by the principal or vice principal prior to the purchase being placed. No purchases may be processed until the purchase order is processed and approved by the principal or vice principal. The principal advised the vice principal and treasurer of the proper supporting documentation needed in order to make vendor payments. The principal informed the treasurer to ensure that requests to sign checks are accompanied by the supporting documentation. Furthermore, advised the vice principal not to sign any checks unless supporting documentation is included as the principal would follow the same procedure. The principal reviewed with the vice principal and treasurer section 4, chapter 9 of the manual of internal funds which provides the procedures for paying sales tax. The principal advised the treasurer and vice principal to ensure that sales tax is paid for any items that the school does not claim nor maintain ownership at time of purchase. The principal is scheduled to attend the next leader to leader money matters training for internal funds in February. Additionally, in January the regional financial business director conducted a review of disbursement records from the months of October through January with the principal and assistant principal. Records now have required quotes, sales taxes have been paid as required, and purchase orders have been secured prior to the placing of orders based on what was reviewed between the months of October and January. It was very deliberate to look at the month of October as it was

the end of the period of the audit findings that were previously discussed so that we can learn from mistakes and then monitor going forward to make sure those mistakes did not repeat themselves. The principal and administrative team also met with all club sponsors and coaches responsible for collection of funds to review procedures of internal funds to ensure knowledge of procedures. Finally, meetings have occurred between the mentor treasurer and new treasurer including 2 meetings in December and weekly phone calls with a scheduled visit for the new treasurer to visit the mentor treasurer's school.

Mr. Atala asked, with respect to Dr. Michael Krop Senior High, according to the minutes of the last ABAC, the issues were related to a teacher and has that teacher attended the money matters program or is it no longer an issue. Dr. Pace responded that the teacher is no longer an issue at that school. Mr. Atala asked if this teacher might be a problem at another school later on. Dr. Pace deferred to the representative from human capital to answer this question. Dr. Dawn Baglos, Chief Human Capital Officer, responded that this is a personnel matter and they would prefer not to discuss it at this time.

Mr. Atala asked, with regard to Miami Southridge Senior High, if there was a new treasurer since our last meeting or since the last review of the audit documentation. Dr. Pace responded that it was since the last review of the audit documentation. Mr. Atala followed up to ask if there has been any improvement on the 91% failure rate at this school. Dr. Pace responded that based on the documents that were reviewed, there were not any issues found based on what was found in the audit exception. Mr. Goodman added that we will do a follow-up audit in July, immediately after the end of the fiscal year.

Mr. Norwood asked if there were any other questions or comments. Seeing none, he moved on to new business.

No other questions or comments were posed on this issue.

NEW BUSINESS

Mr. Norwood asked if there was any new business to discuss.

Mr. Atala asked about the "impact fees issue." Mr. Goodman responded that he doesn't recall what the outstanding impact fees issue was and does not recall any follow up requirements. He explained that Ms. Cynthia Borders-Byrd presented the impact fees audit. He also pointed out that on our activity report we are doing our own audit of impact fees which will be presented to the committee at the next meeting. Mr. Atala responded that if we are going to be presented with this audit at the next meeting, he can wait for that. Mr. Atala thanked Mr. Goodman.

ADJOURNMENT

Mr. Norwood asked to adjourn the meeting. Ms. Hochkammer moved to adjourn, seconded by Mr. Atala. This meeting was adjourned at 2:12 P.M.