

**MINUTES OF THE SCHOOL BOARD AUDIT AND BUDGET ADVISORY COMMITTEE
OF MIAMI-DADE COUNTY PUBLIC SCHOOLS
REGULAR MEETING (IN-PERSON/VIRTUAL)
May 11, 2021**

The School Board Audit and Budget Advisory Committee (the ABAC or the Committee) met on Tuesday, May 11, 2021, in the School Board Administration Building, SBAB Auditorium, at 1450 N.E. Second Avenue, Miami, Florida. This was an in-person/virtual meeting and the sixth in-person meeting held by the ABAC members since the start of the COVID-19 pandemic working conditions of the District in March 2020.

Call to Order

The ABAC Chair Mr. Erick Wendelken called the meeting to order at 12:35 p.m.

1. Welcome, Introductions and Attendance

The meeting began with the ABAC members introducing themselves:

ABAC Members Present In-Person (For Quorum Purposes) (Voting Members)	
1.	Mr. Erick Wendelken, ABAC Chair
2.	Mr. Christopher Norwood, J.D., ABAC Vice-Chair
3.	Ms. Chloe Bordon-Gillenwater, ABAC Member
4.	Mr. Juan del Busto, ABAC Member
5.	Mr. Joshua (Josh) Clarin (Alternate for ABAC Member Ms. Anna Hochkammer)
6.	Mr. Jeff Kaufman, ABAC Member
7.	Mr. Albert D. Lopez, CPA, ABAC Member
8.	Mr. Julio C. Miranda, CPA, CFE, ABAC Member
9.	Ms. Mari Tere Rojas, School Board Member/ABAC Member
10.	Ms. Lisa Smith (Alternate for Ms. Zeida C. Sardiñas)
11.	Ms. Sharon Watson, ABAC Member
ABAC Members Absent	
•	Ms. Anna Hochkammer, ABAC Member (Alternate ABAC Member attended)
•	Mr. Stephen Hunter Johnson, Esq., ABAC Member
•	Ms. Zeida C. Sardiñas, ABAC Member (Alternate ABAC Member attended)

Chief Auditor Ms. Maria T. Gonzalez stated there was a quorum based on the ABAC members physically present in the room. She welcomed everyone to the meeting, but particularly, she welcomed the Honorable School Board Chair, Mrs. Perla Tabares Hantman and School Board Member Ms. Lucia Baez-Geller, who were members of the School Board attending the meeting in-person.

Following introductions from ABAC members, Ms. Gonzalez read the following introductory statement declaring the meeting procedures and authority.

This Regular Meeting conducted by members of the Audit and Budget Advisory Committee and facilitated by the Chief Auditor from the Office of Management and Compliance Audits, is pursuant to the procedures delineated in Board Policy 6840 - Audit and Budget Advisory Committee and is provided in-person as well as virtually in accordance with Board Policy 9140(e)-Board Advisory Committee Meetings During Declared COVID-19 Emergency. Effective November 18, 2020, this emergency policy includes the following provisions: permitting the Advisory Committee meetings to be held through communications media technology as long as there is a physical quorum present in the room, and requiring that adequate notice of the meeting, including that a means for the public to access and participate in the meeting, be provided. This policy also allows that, once a physical quorum is established, other Committee members, Board members and staff may participate virtually.

The meeting is being streamlined and close-captioned.

In-Person Attendance: In accordance with the Centers for Disease Control and Prevention (CDC) guidelines, each person will be required to wear a face covering over their nose and mouth (individuals are responsible for providing their own facial covering) and remain at least six (6) feet from other attendees upon arrival as they enter the School Board Administration Building and until his/her departure. Individuals who fail to adhere to these guidelines may be required to leave the premises.

Attendance of Other Attendees

In addition to the ABAC members, and following similar attendance-taking procedures, the Chief Auditor recognized the following nine (9) meeting panelists (including herself) that were in attendance in the room:

- 12. Mr. Ron Y. Steiger, Chief Financial Officer, Ex Officio (Non-Voting) Member of the ABAC
 - 13. Ms. Maria T. Gonzalez, Chief Auditor and the ABAC's liaison
 - 14. Mr. Walter J. Harvey, School Board Attorney
 - 15. Mr. Alberto M. Carvalho, Superintendent of Schools
 - 16. Mr. Jaime G. Torrens, Chief of Staff
 - 17. Mr. Jose Bueno, Chief of Staff
 - 18. Mr. Jon Goodman, Assistant Chief Auditor, Office of Management and Compliance Audits
 - 19. Mr. Luis O. Baluja, Executive Director, Office of Management and Compliance Audits; and
 - 20. Ms. Elsie Berrios-Montijo, Staff Assistant, Office of Management and Compliance Audits.
- Mr. Baluja and Ms. Berrios-Montijo acted as meeting co-hosts/facilitators, in addition to the Chief Auditor.

As a tradition of the ABAC meetings conducted during pre-COVID conditions, the meeting room would be circulated to have those in attendance each verbally introduce his/her name into the record of attendance; and an attendance log would be passed around to collect the signatures of those attending the meeting. In lieu of calling out for introductions of those present in the room, the following 34 participants were physically in attendance according to their signatures in the sign-in attendance log:

Names of Attendees In The Room	
21. Mrs. Perla Tabares Hantman, School Board Chair	22. Ms. Lucia Baez-Geller, School Board Member
23. Mr. Eugene Baker, Chief Information Officer, ITS	24. Dr. John D. Pace, Chief Operating Officer
25. Dr. Dawn Baglos, Chief Human Capital Officer	26. Mr. Edward McAuliff, Chief Information Security Officer
27. Ms. Margarita Betancourt, Treasurer	28. Ms. Tamara Wain, CPA, District Director, OMCA
29. Mr. Raul Perez, Chief Fac. Const. Design Officer	30. Mr. Luis M. Garcia, Deputy Asst. School Board Attorney
31. Dr. Verena Cabrera, Region Superintendent, North	32. Mr. Jorge Rubio, Administrative Director, Staffing
33. Mr. Michael Lewis, Region Superintendent, Central	34. Ms. Mary Lawson, Asst. Attorney
35. Ms. Tiffanie Pauline, Asst. Superintendent, Charter Schools Support	36. Dr. Tarek Chebbi, Director, Assessment, Research & Data Analysis
37. Mr. Mauricio Lotero, District Director, Budget Mgt. Cap. Const.	38. Dr. Jimmie Brown, Admin. Director, Professional Stds.
39. Ms. Arlene Diaz, Executive Director, Teacher Certification	40. Mr. Alejandro Santana, IT Auditor, OMCA
41. Mr. Michael Hernandez, Internal Audit Supervisor, OMCA	42. Ms. Latisha Green, Assistant to the Chief Auditor
43. Dr. Gloria Arazoza, Admin. Director, School Operations	44. Ms. Francys Vallecillo, School Bd. Member's Chief of Staff
45. Ms. Ana Lara, School Board Admin. Assistant	46. Mr. Jerold Blumstein, School Board Admin. Assistant
47. Ms. Carlota Noguera, School Board Admin. Assistant	48. Ms. Raquel Zuniga, School Board Admin. Assistant
49. Ms. Amarylys Diaz, School Board Admin. Assistant	50. Mr. Jorge Funcia, Technician, ITS
51. Mr. Brett Friedman, Partner, RSM US LLP	52. Ms. Gabriela (Gaby) de la Cruz, Manager, RSM US LLP
53. Mr. Thomas Knigge, Supervisory Agent, Inspector General	54. Mr. Al Chicoy, Creative Director, WLRN

Next, the Chief Auditor stated that, regarding those attending the meeting via virtual means, in lieu of this attendance-taking/recording procedure, the ZOOM virtual meeting platform provides a list of the names of those attendees that have joined the meeting via email invitation, and Ms. Gonzalez proceeded to read each entry from the list, which ultimately amounted to an additional nine (9) participants that had joined the meeting; and which consisted of first/last names. Titles were also included for the record. This attendance is reflected in the following table:

Names of Attendees Via ZOOM Platform (Virtual)	
55. Dr. Dorothy Bendross-Mindingall, School Board Member	56. Dr. Steve Gallon III, School Board Vice-Chair
57. Mr. Mario De Barros, Chief Procurement Officer	58. Ms. Daisy Naya, Controller
59. Ms. Odalis Garces, Administrative Director, Payroll	60. Ms. Terry Rodriguez, Executive Director, OMCA
61. Mr. William McAuliff, Executive Director, MECA	62. Mr. Benton Launerts, MECA
63. Ms. Ana Martinez, Academica	64. Richard Yanez, District Director, OMCA

Ms. Gonzalez ended the introductions and instructions and turned it over to ABAC Chair Mr. Erick Wendelken. He thanked Ms. Gonzalez and moved on to item number two on the agenda for the approval of the first set of meeting minutes.

2. Approval of the Minutes of the School Board Audit and Budget Advisory Committee Meeting of March 9, 2021 (ACTION)

ABAC Chair Mr. Erick Wendelken presented the minutes of the March 9, 2021 ABAC meeting and inquired if there were any questions regarding the minutes.

There being no additional questions or comments, a motion duly made by School Board member/ABAC member Ms. Mari Tere Rojas and seconded by ABAC member Mr. Juan del Busto, carried unanimously to approve and file the **Minutes of the School Board Audit and Budget Advisory Committee Meeting of March 9, 2021.**

3. Approval of the Minutes of the School Board Audit and Budget Advisory Committee SPECIAL Meeting of April 13, 2021 (ACTION)

ABAC Chair Mr. Erick Wendelken presented the minutes of the April 13, 2021 ABAC's Special meeting and inquired if there were any questions or comments.

There being no additional questions or comments, a motion duly made by ABAC member Mr. Albert Lopez and seconded by School Board member/ABAC member Ms. Mari Tere Rojas, carried unanimously to approve and file the **Minutes of the School Board Audit and Budget Advisory Committee SPECIAL Meeting of April 13, 2021.**

4. Presentation of the Proposed Audit and Budget Advisory Committee Meeting Dates For Fiscal Year 2021-2022 (ACTION)

ABAC Chair Mr. Erick Wendelken introduced the item. The Chief Auditor, Ms. Maria T. Gonzalez, stated that these dates have been reviewed with the Board's Office and she does not see any conflicts related to other proposed Board meetings or any religious holidays at this time. Therefore, these meeting dates seem appropriate for next year. Mr. Wendelken asked Ms. Gonzalez if the Committee was normally meeting four or five times during the year. Ms. Gonzalez responded that the Committee is scheduled to meet at least six times during the fiscal year (barring any unforeseen circumstances), starting with September, then December, early February, March, May and July. The number of meetings to be held by this Committee is codified in School Board Policy 6840 *Audit and Budget Advisory Committee*. Mr. Wendelken asked the Committee members if there were any comments or questions.

There being no questions or comments, a motion duly made by School Board member/ABAC member Ms. Mari Tere Rojas and seconded by ABAC member Mr. Jeff Kaufman, carried unanimously to approve the **Audit and Budget Advisory Committee's Schedule of Meeting Dates For Fiscal Year 2021-2022.**

5. Presentation of the Educational Facilities Impact Fees Agency Funds of Miami-Dade County, Florida, Financial Report as of September 30, 2020 (ACTION)

The Chief Auditor, Ms. Maria T. Gonzalez introduced the subject report. She stated that this is a basic financial statement audit conducted by the external audit firm of RSM US LLP. Ms. Gonzalez explained that this yearly audit stems from the collection of impact fees pursuant to an interlocal agreement between the School Board and the Miami-Dade County (the County). Ms. Gonzalez introduced Mr. Brett Friedman, Partner and Ms. Gabriela (Gaby) de la Cruz, Manager, both from RSM US LLP, the external audit firm hired by the County to perform this yearly financial audit.

Mr. Brett Friedman greeted the audience and indicated that his audit team issued an unmodified opinion, which is the best opinion they can issue on the financials. The opinion was issued on March 31, 2021, with no real issues in completing the audit. Mr. Friedman stated that because of new ABAC members, he thought it would be appropriate to provide an overview of the audit of impact fees because it is a unique relationship between the County and the School Board. This relates to the County that collects these fees and passes them on to the School Board. Mr. Friedman then introduced Ms. Gaby de la Cruz to provide more detail on how these impact fees work.

Ms. Gaby de la Cruz stated that the audit report presented is a clean audit and includes an unmodified opinion. Ms. de la Cruz referred to Note 1 on Page 5 of the report, where it provides an explanation of the process of how it developed. She went on to explain how and why this audit is required and performed. Specifically,

- The nature of the audit is established through F.S. 235.19 and the County's ordinance 95-79;
- The purpose of the audit is to take into consideration all the impact fees that are determined by building permits;
- The County will collect building permits and will indicate whether they are collected from new construction or expansion of an existing building facility (an addition). Based on those two types of building permits, the County will collect the corresponding impact fee;
- The fees are established at the beginning of the year and determined by square footage as indicated in the ordinance; and
- Upon the collection, per Quarter, the County will remit the fees to the School Board.

Ms. de la Cruz further explained that the County ultimately accounts for and distributes the fees by Districts. There are a few Districts that were created by the ordinance, the first would be the East District, the second is the Southwest District and the third is the Northwest District. The funds are collected and are required to be expended by District as they are collected, and the fees are net of a 2 percent administrative fee for the collection and remittance process. She also explained that the supplemental schedules in the report provide a breakdown of the Statement of Assets and the Statement of Changes of Assets and Liabilities to indicate by District and what was collected on the Fourth Quarter, September 30, 2020. Ms. de la Cruz referred to the footnote on Page 6, where it mentions refunds that are taken into consideration. The refunds are brought about because of multiple items that include:

- Buildings that would not be constructed and the County goes through an approval process to conclude that it would not be constructed and then refunded; and
- Exempt status that requires additional approval by the County prior to the refund.

Alternate ABAC Member Ms. Lisa Smith inquired how the funds due to the schools will be collected and referred to the report where it states "Due from School Board of Miami-Dade County, Florida". Ms. de la Cruz replied that is new this year and as indicated on Note 3, Page 6 of the report, the Northwest District specifically had a deficit in cash this year because there was a refund in excess of the collections. The County did collect for that District a certain amount of funds; however, a significant refund was issued that resulted in a deficit because of timing issues and that is not uncommon. In this instance, a permit was requested in a prior year, but throughout the year they later determined they were entitled to a refund through an exempt status and that came through during the last Quarter of September 30. This amount was "reclassified" since it will ultimately be replenished with upcoming collections. Mr. Brett Friedman added that future collections would be reduced by that amount and there is no need for any

cash to go back since the cash goes through the County. Ms. de la Cruz stated that this “reclass” was done to note that there was no negative cash for that District.

ABAC member Mr. Albert Lopez asked if there were any findings, proposed adjustments or recommendations as they were going through the audit process. Ms. de la Cruz responded that there were no exceptions to report from their audit. Mr. Friedman clarified that the only adjustment was the “reclass” of those funds due because of the refund.

ABAC member Mr. Albert Lopez then asked if there are any policies or internal controls to minimize that risk. His concern is that this [refund] could be a large number and he would like to know how this is controlled within the County’s process to make sure that the amount is feasible and subsequent collections will be able to take care of this issue. Ms. de la Cruz replied that the controls worked, since once the refund was being processed, the County performed its due diligence to confirm that in fact the refund was due. However, she noted there will always be a timing issue from the time the developer submits the permit application (which triggers the fee) and then once it gets paid, or in this case, where there is a refund to process. Mr. Brett Friedman clarified that in most cases, the fee gets paid afterward, but there are some cases where the fee is paid before; and if the project is not completed, that’s where you may encounter this type of situation. However, he noted that in this case, this is more of an unusual situation of a refund. Normally, he said, the cash is in, remitted and done. According to his explanation, this year is sort of a one-time situation, and the first time it has happened in the years that they have done this type of audit.

ABAC member Mr. Lopez inquired that in the case of a large amount to be refunded, is there some type of policy that would then pause before refunding the money and have some discussion(s). Ms. de la Cruz stated that the County has a very diligent (control) process, where in this instance they required significant proof. This involved the review that started with the original application, then the original proof of payment; and another form that is approved all the way through the County’s Regulatory Director. It goes through a very thorough process prior to processing the refund. She noted that in this instance, for the Northwest District, from the time they submitted the request for the refund, it took about a month to process and go through the different levels of the County. She noted that the audit reviewed all that information to confirm that it was properly approved.

Next, ABAC member Mr. Lopez referred to the payable to the Board and inquired how it gets paid, what triggers that payment, and how does it work. Ms. de la Cruz referred to Page 4 of the report where there is a snapshot in time of what it was for the Quarter ending September 30, 2020. At the time this report was drafted, what is due to the Board is all the impact fees collected in that Quarter net of the 2 percent administrative fee as per the ordinance. ABAC member Mr. Lopez asked what triggers that payment and Ms. de la Cruz responded that the ordinance requires that payment be made every Quarter. ABAC member Mr. Lopez seemed satisfied with all the responses provided.

ABAC Chair Mr. Wendelken asked if there were any comments or questions. The Chief Auditor Ms. Gonzalez took this opportunity to thank Mr. Friedman and Ms. de la Cruz for their presentation and their responses.

There being no additional questions or comments made by the Committee, a motion duly made by School Board member/ABAC member Ms. Mari Tere Rojas and seconded by ABAC member Mr. Jeff Kaufman, carried unanimously to recommend that the **External Audit Report of the Educational Facilities Impact Fees Agency Funds of Miami-Dade County, Florida, Financial Report as of September 30, 2020**, be received and filed by the School Board.

6. Internal Audit Report – The District’s General Obligation Bond (GOB) Expenditures for the Fiscal Year 2019-2020, Allowances/Contingencies and Follow-Up on the External Mid-Point Audit (ACTION)

The Chief Auditor, Ms. Maria T. Gonzalez introduced the internal audit report corresponding to the District’s General Obligation Bond Expenditures for Fiscal Year 2019-2020, which she noted also included a review of Allowances and Contingencies and a Follow-Up on the External Mid-Point Audit of

the GOB funded School Improvement Program. According to her explanation, this audit is a yearly audit that is included in OMCA's audit plan, and the second year a micro-financial audit of GOB expenditures is performed by OMCA. Next, Ms. Gonzalez introduced Mr. Jon Goodman, Assistant Chief Auditor who according to her, supervised this audit. She closed by stating that Mr. Goodman would be making a presentation of this report and would be ready to answer any audit-related questions that the ABAC members may have.

Assistant Chief Auditor Mr. Jon Goodman greeted everyone. He started his presentation by reminding the ABAC members of the approval of Miami-Dade County voters of the issuance of a \$1.2 Billion in General Obligation Bonds (GOB) in November 2012, with the intent to modernize and construct public school facilities. He noted that as of today, almost 75 percent or \$880 Million has been expended. He noted that the subject audit is conducted annually at the School Board's direction pursuant to approval of action items in Agenda item H-10 of the November 15, 2017 School Board meeting. In addition to the audit of expenditures, each year, additional testing of other selected construction controls is reviewed. This year, OMCA determined to include the review of controls over construction allowances and contingencies. The audit had three main objectives and corresponding conclusions:

- First is the internal auditor's opinion on the GOB expenditures. According to the audit results, the opinion is that approximately \$86 Million presents fairly in all material respects, the District's GOB expenditures for the fiscal year ended June 30, 2020. The opinion can be found in its entirety on Page 7 of the report.
- Second, in relation to allowance and contingency adjustments, one recommendation was made relating to the alignment of the language in District's procedures and the standard construction contract. The Administration agreed with the recommendation and has implemented corrective action.
- The third conclusion relates to the internal auditors' follow-up work in relation to the external Mid-point Audit of the GOB that was issued in May 2019. Particularly, this year's follow-up addressed three of the six-agreed upon corrective actions/recommendations from that external mid-point audit that were pending when this yearly internal audit was performed last year. Now, all six corrective actions/recommendations from that external mid-point audit have been implemented by the Administration.

In closing, Mr. Goodman introduced District Audit Director Mr. Rick Yanez who was appointed lead auditor in this audit and stated that they were prepared to address any questions from the ABAC members related to the audit.

School Board member/ABAC member Ms. Mari Tere Rojas stated that she was happy to see the outcome of the report, very pleased that all six recommendations from the external mid-point audit have been fully implemented at this time by the Administration and thanked everyone involved for doing their job and for their due diligence. Next, Ms. Rojas referred to Page 9 of the report regarding the recommendation and inquired whether the M-DCPS Specification Guide has been amended to align its language with the language specified in the general conditions of the contract for construction. Mr. Goodman responded that the Administration had provided the response which included the new updated procedures showing that they are now fully aligned with the contract. Ms. Rojas inquired if she could review the responses and the new procedures that are in place. Mr. Goodman referred Ms. Rojas to Page 17 where these are reflected. Ms. Rojas was pleased with the response.

ABAC member Mr. Albert Lopez referred to the sample size of 60 items noted in the report and asked about the parameters that support the 60 items. Mr. Goodman stated that these items represented a stratified random sample drawn to touch upon each of the expense categories. He added that this method prevented selecting [individual transactions] from just one of the expense categories which could have encompassed a large number or a majority of the individual transactions.

ABAC member Mr. Lopez asked whether there was a confidence level parameter that was used during the sample selection. Mr. Goodman replied that this was not a statistical sample. He explained that a statistical sample would not be optimal for this internal audit because it would have required a lot more sampling and testing; and they had a confidence level based on their own judgement from doing this.

ABAC member Mr. Lopez then asked if this sample was judgmental. Mr. Goodman then replied that it was not judgmental but instead a random stratified sample. He further clarified that a statistical sample would have been used if the audit was to project precisely to the total population. To illustrate this point, Mr. Goodman gave an example of a former internal audit of a vendor contract that was published by OMCA where a statistical sample was drawn and used. He noted that in this particular example, the audit needed to determine on the basis of the error rate how much the vendor owed M-DCPS and then project this rate to the entire population precisely for a determination. ABAC member Mr. Lopez restated that this type of [statistical] sampling was not done in the GOB audit and Mr. Goodman confirmed that it was not done. Then, ABAC member Mr. Lopez suggested that this may be something in the future to consider from a sampling point of view. Mr. Goodman thanked Mr. Lopez for the suggestion.

Next, ABAC member Mr. Albert Lopez stated that the report is dated April 26, 2021; however, this audit covers the fiscal year ended June 30. He inquired whether the audit was looking back at 2020 activity. Mr. Goodman confirmed that it was for the year-end 2020 activity. ABAC member Mr. Lopez then asked why it took almost a year to render an opinion on the GOB Fund. Mr. Goodman replied that this yearly audit was directed by the School Board and OMCA works with the Superintendent and the Administration to obtain these numbers every year and the audit is performed every year. He explained that the GOB expenditure report is essentially in a 21st Century Bond Annual report, that final report is usually issued in December 2020. Subsequent in the year 2021, internal audit staff scheduled this audit which was completed in April 2021. Mr. Goodman considered Mr. Lopez's point regarding the length of time it took to bring the audit report to the ABAC and acknowledged that perhaps, the audit assignment could have been scheduled earlier in the year.

ABAC Chair Mr. Erick Wendelken inquired regarding the approximately \$1.26 Million refund/credit that was applied at the bottom of the schedule on Page 6 under P/A Systems Services. Although Mr. Wendelken acknowledged that he had read the corresponding footnote at the bottom of the page explaining the nature of this credit (which stemmed from the application of a grant), he inquired whether that grant money could have been used against other items that were not covered by the GOB; or whether this was taking money from the left pocket and right pocket and both go to the same place. Mr. Goodman responded that none was the case. Instead, he clarified that approximately \$1.26 Million was expended through GOB funds during the 2018-2019 fiscal year, the previous fiscal year; however, when the grant funds became available after the closing of the 2020 fiscal year in October 2020, allowable 2018-2019 fiscal year expenditures were transferred to the grant and were taken out of the GOB expenditures, and this is what this credit represents. Mr. Wendelken asked if the grant was specifically intended to reimburse those expenses and Mr. Goodman confirmed that it was for PA (public address) systems.

Superintendent Mr. Alberto Carvalho thanked the Chief Auditor for the audit report as well as District staff who work on implementing the General Obligation Bond Program. He noted that the implementation continues to have great fidelity to the promise that was originally made with no substantive issues and void of fraud, corruption or mispending. Mr. Carvalho stated that he appreciates the work, the oversight and equally appreciates the work that has been done by the Facilities Department in partnership with the private sector entity to implement the General Obligation Bond projects.

There being no additional questions or comments, a motion was made by School Board member/ABAC member Ms. Mari Tere Rojas, and seconded by ABAC member Mr. Albert Lopez, which carried unanimously, to recommend that the **Audit of the District's General Obligation Bond (GOB) Expenditures for the Fiscal Year 2019-2020, Allowances/Contingencies and Follow-Up on the External Mid-Point Audit**, be received and filed by the School Board.

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

The Chief Auditor, Ms. Maria T. Gonzalez referred to the subject internal audit report of schools and centers. She stated that these represent a group of schools, some of which had findings to report. She then introduced Ms. Tamara Wain, District Director of School Audits and stated that Ms. Wain was

slated to make the summary presentation of the report to this Committee and to answer any questions from the ABAC members regarding these audits.

Ms. Tamara Wain wished a good afternoon to ABAC members, Board members and the Superintendent. Ms. Wain briefly summarized the audit report as follows:

- This report includes the internal audit results of 65 schools and centers;
- The audit scope is one fiscal year ended June 30, 2020 for all schools;
- At five school/centers, there was a change of Principal/Administrator since the prior audit;
- Schools reported to the North or Central regions, while one was an adult education center;
- The financial statements of all 65 schools/centers were fairly stated, and property inventory results proved satisfactory; and
- At four school/centers, depending on the school audited, controls over the disbursement function (which is part of internal funds), the recording and reporting of payroll's time and attendance (which is part of payroll) and FTE records needed improvement.

Ms. Wain concluded and asked the ABAC members if they had any questions.

School Board member/ABAC member Ms. Mari Tere Rojas stated that she was happy to see that 61 out of the 65 schools maintained their records in very good order and in accordance with prescribed policy and procedures. She gave kudos to those that made this happen, specifically, the Principals and Treasurers for their hard work and their due diligence to ensure this is done properly. Ms. Rojas also commended the custodial staff members who are instrumental when it comes to the property audit. Additionally, Ms. Rojas commended the Region personnel for being proactively involved in the process and that is how they were able to identify some of the issues that had taken place and trying to address them expeditiously. Kudos also go to the Region Superintendents, the Region Directors, School Operations and the Superintendent for their oversight. She also commended the internal audit department for the performance of these audits and for conducting them in such a professional manner.

School Board member/ABAC member Ms. Rojas noted that regarding the first audit exception starting on Page 48 of the report, she was astonished with the situation and did not understand how this payroll irregularity could take place. She noted that unfortunately, even though professional development is offered to site administrators, treasurers and others involved in the process, situations do happen; and she hopes that these are not repeated. Ms. Rojas then referred to Page 51 of the report and again could not understand how someone who has been absent could be reported present for such a lengthy period of time, how this person is supposedly on leave and it is stated that the person had accumulated vacation days and sick leave time. Ms. Rojas requested that Ms. Wain elaborate on this finding.

Ms. Wain responded that based on the auditor's discussions with the Principal and school staff, it appears that there was some miscommunication between the Principal, payroll clerk and the employee. The employee continued to state that she had applied for leave, when actually had never applied for leave through the Leave Office and instead had filed for disability benefits that she was entitled to receive. The school was under the impression that once the request for leave was approved at the District, the employee would be removed from the payroll and payroll corrections would be automatically done in the system, but this never happened because the employee did not file for leave. During the audit, the auditor was informed that a member of the employee's family was overseeing the employee's financial records and the employee never applied for leave through the Leave Office. At Ms. Rojas' request, Ms. Wain clarified that the employee in question was a custodian.

Ms. Rojas then turned her attention to the second school on Page 54. This one had the issue of not having three written quotations. She verified that the procedure is for the school to submit the three quotations with the documentation, but Procurement Management Services is taking more than 30 days to respond to the order, so the quotes are no longer viable. She asked Chief Operating Officer Dr. John Pace if this could be addressed and what action can be taken to remediate this situation. Dr. Pace confirmed that his office can follow up with a response and action to the purchasing issue.

Chief Financial Officer Mr. Ron Steiger added that this is not normal, and most POs (purchase orders) are processed within a week. However, he is more than willing to work with any school that has this sort of extenuating circumstance. Ms. Rojas stated that she will be following up on this.

School Board member/ABAC member Ms. Rojas then expressed her concern with the third school on Page 59. These irregularities related to ELL and ESE compliance continue. She wanted to know who is monitoring the ELL compliance, IEP and Out-Of-Field certification at the school, Region, and District level. Dr. Pace responded that at the school level, these are monitored by the Principal, the Assistant Principal, the registrar, and the chairperson over ESOL/other personnel monitoring the LEP folders. At the Region level, it is the Director of Human Capital Management who assists the Principal in monitoring for certification. Also, the Director of ESE is involved.

Ms. Rojas asked what is being done with those who are not in compliance with our requirements.

Chief Operating Officer Dr. Pace responded that his office continues to collaborate with HR and the Academics Department, specifically Bilingual, to be sure they get their certifications. In this specific case, there was a new registrar and a new teacher monitoring the folders. They continue to receive training.

Ms. Rojas stated that she will be asking for a list of schools who are in compliance to see the current status of this situation. Dr. Pace promised to provide that follow-up.

Ms. Rojas requested the same follow-up with the fourth school on Page 64. This is the same issue of the ELL compliance. She wants to be sure the teachers are on the same level of compliance by the timeline.

Alternate ABAC member Ms. Lisa Smith referred to the recommendations on the third and fourth schools that are geared towards the training and making sure that the teachers are up to standards; however, she inquired about the students that did not take the DEUSS exam on time and whether this is that part of the recommendation to make sure that the students are being tested according to the program. Dr. Pace stated that it refers to the CELLA and actually the ACCESS exam and they would ensure those students would take the exam if the exam was not given to those students.

ABAC Vice-Chair Mr. Christopher Norwood thanked Board member/ABAC member Ms. Mari Tere Rojas for asking these important questions and for her thorough understanding of the administrative effects of what she is asking. Mr. Norwood expressed concern on behalf of the Board member he represents at the ABAC [referring to School Board member Dr. Dorothy Bendross-Mindingall] regarding the audits of the last two schools. Mr. Norwood directed Ms. Wain to Page 59 of the internal audit report where it states that a review sample of ten ELL student folders identified lapses in compliance or disclosed that discrepancies in all student folders reviewed represented 100 percent. Mr. Norwood asked if the sample was of ten folders and whether all of them were not in compliance. Ms. Wain confirmed the sample size and the non-compliance issue. Mr. Norwood stated it's then safe to assume there are major problems in that area of compliance with that school. Ms. Wain agreed with Mr. Norwood and mentioned that there was a pattern. Also, since the audit has to do with ESOL and the Registrar and the ESOL Chairperson have changed, the records were disorganized and incomplete.

ABAC Vice-Chair Mr. Norwood directed his next question to Chief Operating Officer Dr. Pace asking if the interventions are heightened when there is that level of non-compliance as opposed to a school who has issues with one sample out of ten. Dr. Pace confirmed that this is correct. He explained that monitoring continues at the Region level in that case with quarterly visits and quarterly internal reviews to ensure that this can be corrected immediately.

ABAC Vice-Chair Mr. Norwood then referred to the next school, Lillie C. Evans and expressed that the School Board member he represents [Dr. Bendross-Mindingall] harbors significant concern regarding the issues identified by the audit at this school where she was a Principal for 11 years. Mr. Norwood referred to Page 64 of the report and asked Ms. Wain to elaborate on the sample that was reviewed at the school. Ms. Wain responded that for the ESOL program, the school only has 20 students enrolled

and the audit identified issues in all 20 student files. Ms. Wain explained that it was decided to review 100 percent of the student folders because there are only 20 ESOL students enrolled at the school.

District Director Ms. Tamara Wain pointed out that in the case of the two schools with findings in FTE, the auditor immediately contacted the District offices, namely, the Division of Bilingual Education, the SPED office and the District office overseeing teacher certification matters so they can provide direct and immediate assistance to these schools for the issues that were found.

ABAC Vice-Chair Mr. Norwood asked Dr. Pace if he would also have the same heightened concern based on the same level of non-compliance. Dr. Pace stated that he was correct and not only the same level of concern but that also becomes a topic added to *Money Does Matter* Program, specifically to the notification of EL program continuation to make sure it's a topic not only monitored at these specific schools but addressed with all schools to make sure this doesn't come back to the Audit Committee as additional findings. He explained that once certain topics pop up enough times, it's a topic that is addressed with the entire audience. Mr. Norwood thanked Dr. Pace, applauded the many schools that had no issues in this report and just wanted to bring up those two.

Alternate ABAC member Mr. Joshua (Josh) Clarin noted his concern which he stated was previously brought up by ABAC member Ms. [Anna] Hochkammer a few months ago. Specifically, he inquired if there is any sort of vertical accountability when it comes both to the folders and to the payroll to try and limit these non-compliant issues before they are caught at the audit level and the District level office, which does a great job continuing and monitoring and giving these recommendations and improvements. He further inquired if there was anything done to mitigate it before-hand, other than going laterally from the Clerk to the Assistant Principal to the Principal, or from the Registrar to the Assistant Principal to the Principal. Basically, he asked if there is a vertical/crosscheck from a colleague at another school or something like that (which might catch something before it goes to the audit).

In response, Chief Operating Officer Dr. John Pace mentioned that there are support mechanisms that they have in place. He said that one mechanism already mentioned by Mr. Clarin relates to expert Principals with clean audits that are identified to assist other schools with internal reviews based on historical data or historical trends on previous audits. Additionally, from the Region Office, a second level of support and assistance before it reaches this level where the same expert Principals working with the Director over the Budget works with Principals and conducts internal reviews with Principals. The internal reviews are usually about a two-day review at the school site with the Principal, reviewing not only with the Principal, but also with the Assistant Principal, Registrar and Treasurer.

Alternate ABAC member Mr. Clarin thanked Dr. Pace for his response. He then asked whether these specific schools had received this type of support (related to those areas cited in the report) prior to the audit. Dr. Pace responded that he would have to follow up if they went through an internal review specific to the audit findings. Mr. Clarin closed his comments by stating that in the case of the payroll finding, 90 days of someone not coming in to work and getting paid, and it being approved by all the different levels, he thought that at the school site, the approval level they would see it and that would be a red flag long before it was caught in the audit and that's why he recommended more of a vertical cross-check.

School Board member Dr. Dorothy Bendross-Mindingall (who was attending via ZOOM was brought into the ZOOM meeting as a meeting panelist) and she was able to thank all that have worked very hard to make sure that the schools receive no audit findings. Nonetheless, measures must be taken to ensure it does not reach this height of concern. Having been the Principal of one of these schools for a number of years was not perfect but when she read what was happening at two of the schools she represents, Dr. Bendross-Mindingall stated that she had made contact with those at supervisory positions, and they have promised they will make sure this does not happen again.

School Board member Dr. Bendross-Mindingall again thanked everyone for their efforts and when they do their final reporting, she wants to see those reports especially because she is held accountable, to make sure that the children are taught everything they need to be taught. Additionally, she read somewhere that the survey was not properly completed, specifically the form was not dated or not

evident and would like to know more about that. She explained that this is so important because there is an array of children in the schools, and everyone responsible must make sure that parents are aware of what is being done to assist. She wanted to ensure that this is taken care of as she knows this can be done. Dr. Bendross-Mindingall thanked ABAC Vice-Chair Mr. Christopher Norwood for asking very pertinent questions, she said they were important, and she knows he got great answers, but she will follow up as need be to ensure that everything is corrected and done in the proper order.

Superintendent Mr. Alberto Carvalho thanked the members of the Committee for recognizing that 61 out of 65 schools disclosed clean audits which represented a reasonably high rate of accuracy (94 percent). On the other hand, he noted that the four specific schools are outliers, and they reflect sloppy work. He noted that the fact that 94 percent of the schools examined had perfect audits means that this is doable, it's not onerous, it's not excessive. Associated with some of these findings, he said that there are personnel consequences in the near future in addition to necessary training and revisiting of these issues. He noted that similar to concerns previously posed by School Board Member Rojas, the most disturbing issue to him was specific to payroll. He also noted that this was detected at the Region level based on payroll trends that there was something amiss and the audit was done as a result of a request from the Administration. Therefore, outlying issues are still very important, isolated issues, they still merit full attention and in some cases in the near future, there will be associated personnel disciplinary action.

ABAC member Mr. Albert Lopez, congratulated the Superintendent on the 94 percent success. Mr. Lopez agreed with the Superintendent that it's sloppiness, when you look at 20 out of 20 files, six out of eight files and wanted to revisit the payroll issue. Mr. Lopez stated that the conclusion that this was not done intentionally, and he doesn't understand how someone that is at home for 90 days, getting a paycheck, knows that they are not present at work and a position of high visibility in this case a custodian, it's beyond a control issue. Mr. Lopez questions that conclusion; whether it was done unintentionally or not and it goes beyond the issue of control of the school, now you are talking about the honesty of the people working in schools.

ABAC member Mr. Albert Lopez inquired regarding the sampling methodology used at one of these schools. Specifically, if the sample for the test of disbursements [drawn at West Hialeah Gardens Elementary] was expanded when conditions were noted, or if this sample size of eight disbursements provided enough to arrive at a conclusion, since there can be a bigger issue than just some approval, this can be a more pervasive issue in the schools. Ms. Wain responded that in regards to the sample of disbursements, once issues with purchases of \$1,000 or more were identified, then purchases exceeding \$1,000 were all reviewed to see if this was a pattern and a pattern was identified. The school was not following the proper procedures, and in selecting additional disbursements, the issue of purchase orders being completed after-the-fact was identified. The auditor found that school staff with the assistance of the Treasurer were placing orders prior to the Principal becoming aware or approving the purchases. She concluded that the eight disbursements sampled were sufficient based on the level of the school's disbursement activity for the 2019-2020 school year. ABAC member Mr. Lopez stated that it appears that they went beyond eight, that other disbursements were looked at, so the sample was expanded. Ms. Wain responded that the total expanded sample was eight and was sufficient. Mr. Lopez suggested expanding the sample size to see how pervasive the issue is.

Board member/ABAC member Ms. Mari Tere Rojas inquired if there were any Principals that currently do not have a Treasurer/Secretary who is designated to work with them. Dr. Pace replied that there are 14 schools who do not have a full-time Treasurer, but they have a Treasurer reporting on an hourly basis after school to assist. Ms. Rojas then asked Dr. Pace how many of those 14 schools have new Principals. Dr. Pace replied that none of those have new Principals, but he will need to verify one of them to make certain this is correct. Ms. Rojas then asked Dr. Pace how long those positions have been vacant and why they are vacant. Also, what proactive steps is the Administration taking to remediate this. Dr. Pace replied his office has been working with HR to fill these positions with qualified people.

Ms. Rojas wanted to know regarding those 14 vacancies, whether a Region Director was designated to work with these 14 schools, and when it is expected to have the positions filled. Dr. Pace replied that the Region Director of Budget and Human Capital coordinates with the Principals to find the temporary

help, and the full-time replacement for these positions. He stated he will follow up with Ms. Rojas for an update on this issue.

Lastly, Ms. Rojas said that she would expect that someone from the Region would be physically visiting these schools to check the reports and to assist with those matters. Dr. Pace clarified that this does happen.

ABAC Chair Mr. Wendelken directed a question to Ms. Wain which followed the line of comments previously posed by ABAC member Mr. Albert Lopez regarding sample size. Mr. Wendelken stated that when dealing with students and the population is small and 100 percent is tested, he can understand not expanding the population size. However, when dealing with dollar values and going to low dollar values and the sample size is having a high "hit" rate, is he understanding correctly that the next sample size \$5,000, \$10,000 or \$20,000 is not included or is that already included in the sample. Ms. Wain responded that the sample consisted of individual purchases of \$1,000 or more and needed to meet the requirement for having the three bids and the minority vendor.

Mr. Wendelken inquired whether the sample size was expanded once the sample size identified disclosed a high percentage "hit" rate. Ms. Wain responded that the total of eight disbursements was an expansion of the initial sample size. She clarified that the initial sample size was lower than eight; however, it was extended to eight and issues were found in six of them. Mr. Wendelken further inquired if audit staff would consider increasing the sample size as part of the testing in order to identify the prevalence of the non-compliant issues in disbursements. Ms. Wain responded that in this case, since a pattern was observed, they discussed the issue with the school, and the school admitted that they were not following the proper procedures. Ms. Wain added that they also analyze the activity at the school, how many disbursements they've made for the year, and although the sample seems small, the After School Care Program (ASC) funds at this school represent a significant portion of the monies collected and disbursed [since the collection of fees from the ASC Program is remitted to the District in its entirety], this school did not have too much spending activity embodied in individual purchases of goods/services of \$1,000 or more. Based on Ms. Wain's explanation, ABAC Chair Mr. Wendelken then surmised that the size of the sample is such because, overall, the school had a small number of \$1,000 plus expenses and Ms. Wain agreed with his statement.

Alternate ABAC member Mr. Josh Clarin reiterated that 61 out of 65 schools is exceptional and great. However, he noted that there is always some room for improvement and wanted to piggy-back on what Board Member/ABAC member Ms. Rojas stated earlier of the important nature of the Treasurer at the school, which goes back to what he was saying previously about vertical planning versus just horizontal. He referred to what Board member/ABAC member Ms. Rojas mentioned regarding the Region being involved and if there was anything from the Region or within the feeder pattern, being that there are 14 schools without Treasurers, and whether there is the possibility for some sort of promotion from an hourly, secretarial or someone else that works at the school that does an exceptional job and that might be promoted and properly trained. Chief Operating Officer Dr. John Pace mentioned that is one of the strategies currently employed, where Administration is looking at hourly clerical or maybe non-instructional staff that has had some experience with clerical work to train them and begin or create a succession management within non-instructional staff to fill these positions. Mr. Clarin responded that obviously it's a very difficult position to be put into, there has to be training and past experience, but if there is an hourly experienced expert Treasurer coming in after-hours, maybe they can work with them for three or six months, side by side to be properly trained, those positions should be able to be filled fairly quickly if that's the first avenue to fill them. Additionally, the payroll issue with the Treasurer, and he is not aware if this is the school with or without the Treasurer; but those types of issues wouldn't come with 90 days if there was an after-hours Treasurer who might not see a custodian that shows up at six o'clock in the morning and leaves at three o'clock. He concluded that proper training is super important to fill a very important role.

At this time, Chief Auditor Ms. Gonzalez recognized Board Vice-Chair Dr. Steve Gallon III, who had been attending the meeting virtually for some time. ABAC Chair Mr. Wendelken welcomed Dr. Gallon III as well. Lastly, Mr. Wendelken asked if there were any questions or comments. None was posed.

There being no additional questions or comments, a motion was made by School Board member/ABAC member Ms. Mari Tere Rojas, and seconded by ABAC member Mr. Jeff Kaufman, which carried unanimously, to recommend that the **Internal Audit Report – Selected Schools/Centers**, be received and filed by the School Board.

8. Review of 29 Charter Schools' Audited Financial Statements (ACTION)

Chief Auditor Ms. Gonzalez introduced the item and stated that this is the presentation of the last group of certified financial statements of 29 charter schools out of 140 M-DCPS sponsored charter schools in operation this year. She then referred to Assistant Chief Auditor Mr. Jon Goodman who would be making a brief presentation of the item. She also stated that in addition to Mr. Goodman, Assistant Superintendent Ms. Tiffanie Pauline from Charter School Support and Chief Operating Officer Dr. John Pace from School Operations were in attendance to address any related questions from ABAC members.

Mr. Goodman began by stating that this is the final group of 29 charter schools' financial statements for the 2019-20 fiscal year, all 29 are clean, with no significant fiscal issues. To refresh ABAC members memories Mr. Goodman stated the following:

- M-DCPS currently sponsors 140 charter schools with an aggregate enrollment of about 75,000 students.
- Over \$600 million in public funds flowing to and through the charter school sector annually.
- Each charter school is statutorily required to contract an external audit firm to conduct a financial statement audit annually.
- OMCA spends a significant effort reviewing and analyzing these audited financials, corresponding with the auditors and school management, and ultimately presenting them to the ABAC and the School Board.
- OMCA works in conjunction with Ms. Tiffanie Pauline and her team on this and other charter school fiscal oversight issues.

Mr. Goodman concluded by introducing Internal Audit Supervisor Mr. Michael Hernandez. Mr. Hernandez has supervised this audit effort over the past several years and both he and Mr. Goodman are prepared to take any questions or comments from ABAC members. ABAC Chair Mr. Wendelken thanked Mr. Goodman and asked Committee members for any questions or comments on the item. None was posed.

There being no additional questions or comments, a motion was made by Mr. Jeff Kaufman, and seconded by ABAC member Mr. Juan del Busto, which carried unanimously, to recommend that the **Review of 29 Charter Schools' Audited Financial Statements**, be received and filed by the School Board.

9. OMCA 2021-2022 Proposed Audit Plan (INFORMATIONAL)

Chief Auditor Ms. Gonzalez introduced the proposed Audit Plan. According to her, this Plan is required to be presented every year pursuant to Board Policy [6835 *Office of Management and Compliance Audits*]. OMCA initially formulates a plan of the internal audits and the audit activity that OMCA is projecting for the coming year and brings it to ABAC members for initial discussion and for feedback from all the stakeholders. This proposed plan is an informational item at this meeting. Any changes to this plan will be incorporated and brought to the Committee for action in July and for transmittal to the Board in August.

Ms. Gonzalez then introduced Assistant Chief Auditor Mr. Jon Goodman to present the plan to the ABAC members. Mr. Goodman began by stating that this is an important document. It is a proposed audit plan which is risk-based and which strives to address stated concerns and initiatives of the School Board and ABAC members. Mr. Goodman referred to the key audit areas which include:

- IT and cybersecurity;
- Internal controls over grants, including federal grants and stimulus funds;
- Payroll processes at schools and at Districts offices;
- Procurement-related audit having to do with contract administration and compliance; and
- Processing of impact fee collections.

Mr. Goodman asked for any comments or questions from ABAC members.

ABAC member Mr. Juan del Busto asked if there were any items from last year that were not audited due to the COVID-19 pandemic but that should be audited this year, or any audit areas that were postponed and that are critical going forward. Mr. Goodman responded that in some form or fashion the plan is covering all the areas from last year that required being audited. An example would be the payroll audit that was deferred last year. This year it's part of the plan, and is very important in light of the fact that payroll processes have been somewhat amended during COVID-19. That would be an example of something slated for last year that is going to be done this year.

Alternate ABAC member Ms. Lisa Smith referred to the page that mentions potential future audits and asked how long in the future and how does it move from potential to being on the list, how is that decided. Mr. Goodman replied that these are audits that come up but are not necessarily a priority and scheduling them is dependent on available resources and the risk level. Some of them could come up in the next year and some can come up in the next several years.

School Board member/ABAC member Ms. Mari Tere Rojas stated that the plan was very impressive, comprehensive and touches upon all the areas of interest; however, she is particularly interested in the procurement purchase order process and looking forward to seeing the outcome of that audit report once it is finalized. Also, the processing of the P-Card transactions is something that Ms. Rojas is looking at closely; and last but not least, the most important in her book is the issue of the IT scenario which is not only important to her but to her ABAC colleagues as well.

Ms. Rojas expressed that cybersecurity is probably the number one threat that she believes M-DCPS is facing today, and proactive efforts must be invested to address any related issues and threats in this area expeditiously, because this a major threat to this institution and to many others in the country. A recent example is what just happened with the pipeline and what has transpired is very serious. She is looking forward to seeing the outcome of all of these proposed audits but particularly in the three areas that she mentioned. Assistant Chief Auditor Mr. Goodman thanked Ms. Rojas and stated that reflecting on her ongoing concern about cybersecurity and other issues, including Mr. del Busto, Mr. Lopez, Mr. Wendelken, everybody has great concern about that, and the audit plan is addressing this area in the upcoming year, with the mobile device audit which has commenced already, with a VPN audit slated to take place this year, as well as the PEN test coming up which is being performed by an external firm.

ABAC member Mr. Juan del Busto commented that according to the FBI report, it was simple for the hackers to get into the pipeline system and that is from the FBI itself.

ABAC member Mr. Albert Lopez stated that the audit plan was very comprehensive and had a couple of questions continuing the topic of cybersecurity, it is critical, this should not be taken for granted or think it cannot happen to M-DCPS. Based on the penetration test that was done last year, there were certain recommendations that were made. He noted that maybe these cannot be made public; however, he wants to make sure that this is covered in the audit plan, the follow up on the recommendations. Mr. Goodman responded that it is included as part of the plan. He also noted that regarding Ms. Gonzalez's recommendations in the [exit report] document that will be discussed next, there are some suggestions on a realignment of the IT group/department. He is not sure if that is covered under the audit plan, or whether this is a recommendation that is up to someone else to take on. Ms. Gonzalez responded that this is her recommendation as she is exiting the position of Chief Auditor. At this time, her office has formulated a plan based on the resources OMCA has and believes this is an area (IT) that needs enhancement and can be improved by upgrading the current Executive Director position (because this year he has done a number of supervisory duties that go above and beyond what his current duties are). Also, in order for the office to augment IT audit coverage, it will require additional resources going

forward; and that is why she is recommending that an additional position be added to the IT internal audit division within OMCA. She commented that the IT audit division can be made more robust not only by increasing the size of the dedicated staff, but by providing additional funding to procure IT-related certification courses for its staff members, and to purchase some software tools in order to perform that kind of internal IT audit work.

ABAC member Mr. Lopez responded that even though normally that would not be a recommendation or part of an audit plan, but because there will be a new person [Chief Auditor] coming in and taking over the group, he recommends that the plan have a footnote or something to make sure this does not slip through the cracks. He noted that the Board has been on top of this matter and he believes that these are some good recommendations on investment, training and so on, that are important. He asserted that something should be added to the audit plan, some type of footnote to keep the idea alive. Assistant Chief Auditor Mr. Goodman stated that it makes sense and agreed with this recommendation.

Additionally, ABAC member Mr. Lopez referred to a supply chain risk that is identified in the audit plan and wanted to know how big is that risk. Mr. Goodman responded that last year it was most prominent in terms of getting all kinds of safety and preventive supplies, as well as laptop computers manufactured in China where problems existed in getting them here. Mr. Goodman believes that the risk has somewhat decreased this year but there is still some level of supply chain risk and one of the areas the School Board and ABAC have discussed and as an example, during recent Board meetings, there have been significant commentary and concern expressed by Board members regarding the procuring and supplying of gloves to schools. ABAC member Mr. Lopez asked if that is something that the District is addressing proactively, ordering these items as the school year is closing to be ready for the next school year, Mr. Goodman deferred the question to the Administration. Chief Financial Officer Mr. Ron Steiger responded yes, absolutely and stated that if the term "supply chain risk" is referring to gloves, then the only risk was the lack of supply at certain points in the year. At present, he said that the District has additional vendors on Board bid and although the District had gloves available when necessary, as of the last Board meeting the District has expanded on the type of gloves being procured and have placed enough orders with vendors to take care of the start of the school year without a problem. ABAC member Mr. Lopez stated that he didn't want to focus on gloves, it was just an example, and referred to the organization he works with that uses a lot of computers. For example, Lenovo right now is about six to eight weeks behind and as the organization hires new people, it is facing the issue of making sure they can obtain those laptops right away. He is not focusing on any specific item but wants to make sure that the District is being proactive in trying to deal with the issue. Mr. Steiger responded that there is preparation for the next school year, something they have a long history of doing and the Principals and staff are adept at making sure they have what is needed on hand. He explained that the Administration was very aware of those products on short supply during the COVID-19 pandemic. The supply of devices was much tighter about ten months ago than it is right now.

Mr. Steiger pointed out that one thing that they have been very conscious of is the federal stimulus dollars that are coming in, not just to M-DCPS but other school districts around the country. This will create significant demand for a lot of products, especially air conditioning products, HVAC, so the Administration is trying to get ahead of the line on a lot of these issues, but because of the tremendous infusion of cash into school districts, not just school districts, but almost every major government entity and private enterprise, he believes it will result in overall increase in prices in a lot of things in the next few years. He is expecting that but thankfully the additional public dollars will make it possible to pay for these essential products.

ABAC member Mr. Lopez asked if the internal audit department assists with the external audit, whether OMCA provides assistance in testing and so on in order to minimize audit fees. Mr. Goodman responded that yes, a prime example is when the office conducts the annual year-end audit of the District's inventories. The external audit firm relies on the internal work which reduces cost. ABAC member Mr. Lopez stated that he didn't see anything on the audit plan, it talks about presentation of financial statements. Mr. Goodman referred him to the top of Page 4 of the audit plan, Audit of Year End Inventories. Mr. Lopez then asked if that was the only item that OMCA helps with. The Chief Auditor Ms. Gonzalez stated that when the external auditors come to visit, they rely on some of the work of the School Audits Division related to the internal funds and FTE. There are other things they may look at

every year, because those are areas that may be reviewed more in-depth by OMCA. Mr. Goodman agreed that there are some other areas, for example OMCA's review of charter schools' financials, and the external auditors have some reliance on that as well.

ABAC member Mr. Lopez asked if the few openings in OMCA have an impact on the Audit Plan and how easy based on history it is to fill those positions. He noticed there are a couple mentioned in the footnotes of the plan. Ms. Gonzalez stated that at the present time there are four open positions, two positions in the School Audit Division. One position is being advertised and the other is in the pipeline for advertising. The third position is a CIU investigator position that is being advertised and last there is an administrative support position in CIU that is being advertised as well. Usually, it takes no more than two-three weeks for the advertising, and this process is dependent on the number of applicants for these positions. Interviews are conducted next. Overall, the process takes a couple of months from start to finish to get someone on board. According to the Chief Auditor, she believes that any of those interviews that are in the works at this time could probably result in new hires coming on board no later than during the month of August. ABAC member Mr. Lopez asked the Chief Auditor whether she sees an issue as far as anything on the audit plan based on those vacancies. Ms. Gonzalez responded that she did not see any issues at this point, however, issues may surface if the positions don't get filled, but as an example, right now the CIU investigator is being advertised with sufficient time to fulfill before the opening of schools. That position and similarly the position within the School Audits Division should be filled in time for the new school year.

ABAC member Mr. Albert Lopez stated that based on Mr. Goodman's comments regarding sampling, he recommends, and he doesn't know if RSM US LLP would be willing to do it but he recommends providing the internal audit department with some type of sampling training and believes it will be helpful for the whole group. Mr. Goodman appreciated the recommendation since additional training is always beneficial to a professional group; however, he is of the opinion that the internal audit department possesses a solid understanding of audit sampling techniques.

ABAC member Mr. Jeff Kaufman inquired on the audit plan as to why OMCA decided to perform the audit of Hospitality Services and not Food and Nutrition, a much bigger budget in Food and Nutrition. Ms. Gonzalez replied that Hospitality Services has an internal fund accounting system, so it's placed as part of the schools and only segregated because it is not a school/center specifically, but their internal funds are accounted for through the accounting system implemented at the schools. Mr. Kaufman stated that he does believe that Food and Nutrition was supposed to be done last year as well. He then stated that maybe his question was not clear, and asked why would OMCA perform a smaller size and not do the Food and Nutrition in its place. Mr. Goodman responded that prior to the COVID-19 pandemic, OMCA was planning on doing a major comprehensive Food and Nutrition audit; and a Food and Nutrition component was added to the year-end Audit of Inventories to provide additional coverage in the area of inventories corresponding to Food and Nutrition. Specifically, it addressed how long the inventory of food was stored at the school sites once the school cafeterias were closed. In reference to the Food and Nutrition comprehensive audit that is included in OMCA's long term plan, it was placed there because that particular area has been through a lot during the pandemic, and because they have changed their core mission for a period of time, serving the public in general. That is why it is not reflected in the same form that Mr. Kaufman expected.

School Board member Dr. Dorothy Bendross-Mindingall was recognized by ABAC Chair Mr. Wendelken. She stated that she had been listening very carefully about children and devices. Dr. Bendross-Mindingall asked Chief Financial Officer Mr. Ron Steiger regarding his previous comment on the infusion of additional funds. She wanted to know if all children would have access and receive a device. Mr. Steiger responded that the Administration remains committed to ensuring that all students have a device as needed to make sure they have access to their education. Mr. Steiger stated that he thinks the conversation they had is for next year and he doesn't think there is any question that a portion of M-DCPS' federal stimulus dollars, both ESSER II and the American Rescue Plan (ARP) will be going to the purchase of technology student devices. Obviously, those plans will be reviewed and approved by the Board before they move forward with them and although he doesn't mean to put words in the Board's mouth, he assumes what will be approved will be a hefty purchase of student devices to ensure

students that M-DCPS can continue to provide them. Dr. Bendross-Mindingall thanked Mr. Steiger and stated that she believes they discussed an investment.

Board member/ABAC member Ms. Mari Tere Rojas referred to ABAC member Mr. Lopez's point on the supply chain and risk, and commented that the School Board has been very actively engaged in this process, and she believes about every single Board member has made comments in reference to concerns they have had regarding the supply of gloves as it was alluded to a while ago. Unfortunately, not everyone was able to procure the gloves that they needed and if they received a supply of gloves, it was a very limited supply. It was very limited and very concerning to all Board members because they have schools that they represent that need the supply, especially now more than ever dealing with the pandemic. Ms. Rojas stated that this is an area that the School Board has actively engaged in, will continue to monitor very closely, and will work very cohesively with the Administration. She added that the Administration has heard the Board loud and clear about what the priorities are for this Board to ensure that the personnel out there, inclusive of the children, the entire staff, the workforce, are protected and have what they need in order to do their jobs adequately. Ms. Rojas stated that she wanted to make sure there was clarity as far as the role that the M-DCPS School Board has taken to ensure the safety, the well-being and the health of all those the Board represents.

ABAC Chair Mr. Erick Wendelken asked if there were any other questions or comments on this 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.

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

Ms. Gonzalez introduced the item and stated that this report reflects the activity that took place in OMCA since the Committee's last regular meeting on March 9, 2021. This activity report includes brief details of the internal audits presented today. In addition to the audits presented today, the report's table on Page 2 illustrates those audits that are in the planning stage or that are a work in progress, as well as meetings attended to by OMCA staff during this time period and related personnel issues. Mr. Wendelken thanked Ms. Gonzalez and asked if ABAC members had any questions or comments on this item. None was posed.

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.

12. Chief Auditor's Exit Report (INFORMATIONAL)

Ms. Gonzalez stated that pursuant to the direction of the School Board at its Special Meeting of April 7th, she submitted her Exit Report to the Board on May 3rd, which was this past Monday. During today's ABAC meeting, she is presenting the report that she provided to the Board for the ABAC to review as well. As she retires from her position as Chief Auditor, this report should serve to apprise the Board and the ABAC of those issues that relate to the role and scope of the Chief Auditor.

She explained that the report is segregated into nine different areas. Topics delineated in her report include the much discussed current risk in cybersecurity and the accounting and utilization of federal stimulus funds. Also, included is a comment on the organizational structure, succession management and the reporting lines of the office which she believes are working very successfully. The Exit Report also addresses the status of the office's working schedules, audit assignments, the proposed audit plan, personnel staffing issues just discussed, relationships with other audits and investigative entities; and any upcoming external audits from the state Auditor General and other similar entities that she is aware of. The evaluation of the Chief Auditor, which she believes is important since she is retiring, is being presented to the ABAC a little earlier this year during this current meeting. It is usually brought in July but was brought earlier this year so that ABAC members could have the opportunity to reflect on the performance of OMCA and on the performance of the Chief Auditor before her departure. Also included is the issue of OMCA's Peer Review which has been on hold due to the Coronavirus pandemic. Regarding this matter, the office has been actively following up with ALGA. Furthermore, also included

are some brief comments on District budgetary matters, on ABAC membership and last but not least on the realignment of OMCA's IT division which was previously discussed. She believes it will be a benefit to the District, incrementing the size of the unit and upgrading the position of the Executive Director of IT audits. Also, adding a little bit of money to OMCA's budget to purchase software tools and classes for that group. Ms. Gonzalez concluded by stating that this report comprises her parting "words of wisdom" to the School Board. She hopes the ABAC members had an opportunity to read it, reflect on it and make any comments that she can address at this time.

Board member/ABAC member Ms. Rojas stated that she wanted to start by thanking Ms. Gonzalez and for the truly amazing job that she has performed in the years she has been with M-DCPS. Her professionalism is highly respected by all of them, dedication, hard work, commitment, tenacity and truly her passion for the position of Chief Auditor. Ms. Rojas further stated that on behalf of the School Board members, she thanked Ms. Gonzalez and she then referred to the Honorable School Board Chair, Mrs. Perla Tabares Hantman, who she knows feels the same way about the job that Ms. Gonzalez has done, and her loyalty to the Board is something they highly admire as well. Ms. Rojas wished Ms. Gonzalez much success in whatever endeavors she might undertake in the next years to come. She also thanked Ms. Gonzalez for the timely Exit Report submitted to them, she commented that it was very comprehensive and many good recommendations for them to consider. Ms. Rojas had some questions and comments on the Exit Report as follows:

- Cybersecurity which is critical and threatens every institution in the country and school districts are no exceptions. This is an area outlined in the report extremely well and the District must step up even more so in this arena because as just alluded to a little while ago, what happened in the Colonial Pipeline and the issues they've had to deal with was devastating. Also, Broward County Public Schools had to deal with a cyber-attack and then there was ransomware that was requested, over \$40 Million, that was demanded and when that did not occur, they dealt with some issues. Right here, the ABAC group has expressed the same concern regarding the issue of cybersecurity. Ms. Rojas very much concurred and agrees with Ms. Gonzalez that personnel in this area is critical and fully concurs with that recommendation to augment that area. Ms. Rojas referred to ABAC member Mr. del Busto when he shared with ABAC members the conference call he had with Christopher Ray, FBI Director, even with all the concerns they shared the number one concern was the issue of cybersecurity.
- Second, she fully supports all the staffing recommendations in the report and added that it may be time for Human Resources to conduct a market study of both private and the public sectors to determine if salaries in this department are comparable and competitive with others.
- Lastly, the report addresses the additional federal funding that M-DCPS will receive in the tune of over \$1 Billion. This is a major responsibility for the School Board because of the fiduciary responsibility that Board members must fulfill. Therefore, the Board has to be assured that these funds are properly expended and in alignment with the intent of the federal legislation.

Ms. Rojas concluded by thanking Ms. Gonzalez for sharing the information and believes that they are all very good recommendations for the Board to consider and the ABAC members.

ABAC member Mr. Albert Lopez thanked Ms. Gonzalez for the work she has done but also her responsiveness and her being available. In the past, he has reached out to Ms. Gonzalez a few times and have had conversations at seven and eight o'clock at night and she has been there. Mr. Lopez expressed his appreciation for everything she has done, and she is going to be doing some great things as she spends time with her family. Mr. Lopez echoed Board Member Rojas on the issue of IT security whether it's the Internal Audit or the Administration, he commented that the funds must be invested to train the people and maybe look at equipment. Specifically, on the internal audit side he believes that it would be appropriate to bring in someone that has cybersecurity experience that will help the outside auditors or those doing the PEN test, there is that communication line and communication with the Administration. Also, make investment on the Administration side too. Again Mr. Lopez echoes Ms. Rojas and states let's not take this lightly, unfortunately it's a real issue.

ABAC Chair Mr. Wendelken mentioned that Ms. Gonzalez's career predates his participation with M-DCPS, however he has been ABAC Chair for the entire tenure of her being the Chief Auditor and he

thanked her for both her ability to handle personal items personally and business items in a business manner. Mr. Wendelken expressed that he will miss her and especially knowing that next time around there will be a new Chief Auditor. Mr. Wendelken wittily said to Mr. Goodman that he had big shoes to fill.

ABAC Vice-Chair Mr. Christopher Norwood commented that he has served on the ABAC meeting since January 2014, prior to Ms. Gonzalez becoming the Chief Auditor and several years under the previous Chief Auditor. Mr. Norwood stated she has always had a smile, jovial, but very serious in her duties and responsibilities. Mr. Norwood referred to their past conversations and how interactive she has been with the group of volunteers (ABAC members) and has always respected that she understands that those who sit on the dais for the most part other than the School Board member who is an elected official that they are volunteers. Additionally, Mr. Norwood commented that many of these people that are sitting here are losing money by being here during these times because they bill by the hour, but the time and energy Ms. Gonzalez spends talking to them, answering questions and answering phone calls makes what they do when they get there easy to understand and process. He thanked Ms. Gonzalez for appreciating the volunteers and their time by the way she prepares them and her team. Mr. Norwood wished Ms. Gonzalez well, and to enjoy her time and stay busy. Ms. Gonzalez thanked Mr. Norwood.

ABAC member Mr. Juan del Busto stated that he had spoken earlier with Ms. Gonzalez and he had thanked her for all her guidance and help. Also, he mentioned that it has always been a pleasure working with Ms. Gonzalez, they've talked at all hours and if he ever had a problem on the weekends, she always responds. It's not the guidance that he's received from Ms. Gonzalez, but instead it's the guidance that is given to the community, to the children, the Board and MDCPS. Additionally, Mr. del Busto stated that he appreciates what she has done for them, but they should appreciate what Ms. Gonzalez has done for this community and that's where its valuable. He thanked Ms. Gonzalez for all the years and for all that she has done to help the school system and community be better every day.

ABAC member Ms. Sharon Watson stated that Ms. Gonzalez's personal touch and communication with them all the time has made them feel not only as Committee members but friends. Ms. Gonzalez got to know them and their lives. That made all the difference in the world and she will be very much missed. Ms. Watson thanked Ms. Gonzalez for all that she has done. Ms. Gonzalez thanked Ms. Watson.

ABAC member Mr. Jeff Kaufman thanked Ms. Gonzalez for all the time she has invested to discuss with him all the pertinent issues, and they will miss her.

Alternate ABAC member Mr. Josh Clarin stated that he is new to the Committee but the second he was appointed by School Board member Ms. Luisa Santos, Ms. Gonzalez called him immediately personally and that set the tone right away. It's been very nice and Ms. Gonzalez makes everything easy on him and he assumes it's the same for the other members. Mr. Clarin stated that he hopes the next Chief Auditor encompasses her characteristics and traits. He noted that sometimes when you get a new person in a position, you are looking for new direction and sometimes you are looking for a continuation of what has been put in place. He thinks that in this instance, it's a continuation of what's in place by Ms. Gonzalez.

Alternate ABAC member Ms. Lisa Smith wanted to echo Mr. Clarin's comments. She noted that Ms. Gonzalez has been great and from the moment she was appointed, Ms. Gonzalez has been great in getting her acclimated in how things run. Ms. Smith congratulated Ms. Gonzalez on her retirement and thanked her for everything she does.

ABAC member Mr. Julio Miranda, stated that it was privilege working with Ms. Gonzalez for so many years when he was an auditor. He noted that Ms. Gonzalez is an excellent person and auditor.

Assistant Chief Auditor Mr. Goodman thanked Ms. Gonzalez for her mentorship and friendship over the last three years. He pointed out that this was a very rigorous mentorship and he has learned a lot working with her. Mr. Goodman thanked Ms. Gonzalez, wished her the best in her retirement. He also said that he's sure she will continue to be a big part of his life and calling on her for auditing advice and

wisdom. Mr. Goodman also referred to Mr. Miranda who worked at OMCA at a very high level and his former boss. Mr. Goodman thanked him for his friendship and mentorship over the years.

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.

13. Evaluation of External Auditors (Fiscal Year Reporting Period Ended June 30, 2020) and the Internal Audit Team (Fiscal Year Ended June 30, 2021) (INFORMATIONAL)

The Chief Auditor introduced the next item, the evaluation of the External Auditors, the Internal Audit Team and the Chief Auditor. This is usually an item that OMCA brings to the ABAC members in July but because of her exit in June, she thought it would be a good idea to have the evaluations submitted a couple of months in advance so the ABAC would have an opportunity to discuss. The three surveys are as follows:

- One of the surveys is submitted to the Administration for the evaluation of the external auditing firm, RSM US LLP, who performs the District's financial statement audit and the Single Audit;
- Two additional surveys submitted to the ABAC, one to evaluate the external audit firm RSM US LLP and the other to evaluate OMCA and the Chief Auditor's performance.

Ms. Gonzalez stated that what the ABAC members have received represents the results of the survey reports and the comments. Ms. Gonzalez asked if there were any comments or questions.

Mr. Wendelken stated that in looking through the report, it seems there is a high level of ten out of ten and no items which appear to require immediate attention. Mr. Wendelken commented that there are probably a few things that can be improved upon, but he doesn't see anything that is urgent. Mr. Wendelken asked if there were any questions or comments on the 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.

14. Update on Interim Chief and Chief Auditor Search Process (INFORMATIONAL)

Ms. Gonzalez introduced the item and stated that this is an update related to the recent Special Audit and Budget Advisory Committee meeting, a follow-up to the results of the meeting of April 13. During that meeting, the ABAC recommended Assistant Chief Auditor Mr. Jon Goodman as Interim Chief Auditor. In addition, the ABAC recommended the HR process with a national awareness for the search of the Chief Auditor. Subsequent to that Special ABAC meeting, the Honorable School Board Chair Mrs. Perla Tabares Hantman brought an agenda item to the School Board meeting of April 21, 2021 where these recommendations from the ABAC were brought forth to the School Board for discussion and approval. During that meeting, the Board approved the recommendations for Mr. Goodman to fill the position of Interim Chief Auditor and for the HR (in-house) search process to fill the position of Chief Auditor to take place.

Ms. Gonzalez notified the ABAC that the position of Chief Auditor has been advertised as of April 27, 2021. She concluded her brief update and introduced Dr. Dawn Baglos who is in charge of HR so that Dr. Baglos can go over the next steps with the Committee and for any questions that the ABAC members may have on this process.

Dr. Baglos wished members and attendees a good afternoon and thanked Ms. Gonzalez for the introduction. Dr. Baglos stated that the position was advertised on April 27th for 30 days, and this advertisement will sunset by 4 PM on May 27. After that conclusion of the application time, HR will begin a pre-screening process for qualifications. Once that is completed which should be done no later than close of business on June 1st, the second screening process begins and that will be the responsibility of this Committee. The ABAC will meet to review resumes as well as their responses to written questions and after that process is completed for screening, the ABAC will select a number of

candidates to move forward for oral interviews. Both the screening and the oral interviews (both conducted by ABAC members) are done at two separate meetings of this Committee. Once finalized, the ABAC will move forward those selected candidates with recommendations to the School Board for selection.

ABAC Chair Mr. Wendelken thanked Dr. Baglos for this presentation and opened the floor for discussion/comments.

Alternate ABAC member Mr. Josh Clarin was recognized and stated that he knows this is a rigorous process and asked if there is a rubric or some sort of measure by which the ABAC will rate the candidates for the Chief Auditor.

Chief Human Capital Officer Dr. Dawn Baglos responded that there will be and when they meet for the special ABAC meeting to review the screening, she and Administrative Director Mr. Jorge Rubio who oversees Administrative and Professional Technical Staffing will walk the ABAC members through the rubric and will be given a scoring sheet, as well as the resumes and the candidates' written responses. Typically, in the past, a rating of one to four has been used, being from fair to outstanding and then they are tallied together for a cumulative score for each of the candidates.

Mr. Clarin inquired about a rubric for the "must haves" of the role to be outlined. He asked if there are specific "must haves" versus more ambiguous things and how do the members come up with those specific guidelines.

Dr. Baglos responded that the "must haves" fall under the minimum qualifications that are part of the job description. As part of HR's role, HR staff will actually screen for those in the pre-screening process. ABAC members will receive the candidates' resumes and responses to each of the initial questions to make sure that candidates possess the "must haves"/minimum qualifications. Mr. Clarin thanked Dr. Baglos and stated that he just wanted to make sure that it was a fair process especially through this Committee.

ABAC member Mr. Lopez asked that since May 27th is around the corner, if the dates have been set, and if not, can those dates be made available as soon as possible for members to put those dates aside for the two meetings. ABAC Chair Mr. Wendelken responded that first the Committee will have the discussion and then will get into those dates. Those dates have a lot of things to consider.

ABAC Vice-Chair Mr. Christopher Norwood inquired as to the office who was coordinating those dates. He imagined that these dates and invites will not be coming out of the internal auditor's office. He asked whether these dates/invites will be coming out of the HR office to communicate with the ABAC members. ABAC Chair Mr. Wendelken responded that they will be having that discussion now.

ABAC member Mr. Juan del Busto stated that they are about halfway through the process being May 11 and asked Dr. Baglos if they have received and he doesn't want to know who, but have they received good, qualified candidates applying for the job so far. Dr. Baglos responded that they have not received any actual applicants; however, two individuals have expressed explicit interest and they will prior to the deadline submit their applications. ABAC member Mr. del Busto asked if they are internal and if that information can be provided. Dr. Baglos said that she could not. Mr. del Busto acknowledged that Dr. Baglos cannot say and stated that he is concerned because of the employment situation that is happening in the country at all levels and it may not be prudent to extend those guidelines. He doesn't know if that will help the process or change the process, or if that is against the Board's mandate on dates; however, finding qualified candidates in this country in every job position has been an issue in the last three months. Mr. del Busto stated that from an economic standpoint, he is not sure if the ABAC might want to wait to make sure that they have viable candidates.

Alternate ABAC member Mr. Josh Clarin commented that it's important for this Committee to remember and keep in mind, in his opinion, that there are both internal and external candidates to consider. If it ends up just being two and they happen to be internal, not that they shouldn't be chosen but it's important to have a broader range. ABAC member Mr. del Busto stated that he wants to make sure that

they give the right perspective to the community, that they conduct the right search at the right time regardless of the candidate. Mr. del Busto said he is not saying that they don't have a qualified candidate, he is just saying that from the community standpoint it's important. Mr. Clarin stated that he agrees and wasn't implying that either.

Board member/ABAC member Ms. Rojas stated that for those that were not here before [in 2018 when a Chief Auditor was selected] this Committee initially pre-screened two internal candidates and two external candidates, and there is also succession management in the School District, which is looked at in every department. That is the process that is followed. There are only three positions that report to the School Board and the rest report to the Superintendent. The position of the Chief Auditor is one that reports to the School Board. Otherwise, the Superintendent can go through succession management or a direct appointment. Here, this Committee has the opportunity to make recommendations to the School Board on the candidates they get to interview. Last time, the Committee interviewed two internal and two external candidates, and the Board ultimately will be the decision maker as to whether the Interim Chief Auditor's tenure should be extended another 90 days to have available candidates interview for the permanent position.

School Board member/ABAC member Ms. Rojas commented to Mr. del Busto that she knows exactly what he is saying and that she is hearing it also on the news that jobs are opening but they don't have people/candidates for certain positions.

The Honorable School Board Chair Mrs. Perla Tabares Hantman requested to speak and stated that she wanted to inform this Committee now that the School Board gave her directions to negotiate with the Interim Chief Auditor and will be negotiating with Mr. Goodman for the interim position. The Board also gave her direction on the salary range as well as the three months for the interim and then it will be up to her (Board Chair) to extend the contract of the Interim to a fourth month, if necessary, before a permanent Chief Auditor is selected. She has clear direction, and the Board was very kind to give her that trust that she will take care of that as she did when Ms. Gonzalez was hired. Mrs. Hantman asked if anyone had questions on this issue. ABAC Vice-Chair Mr. Christopher Norwood stated that he thinks he heard her say that she has the authority to extend the contract up to four months for the interim position. Mrs. Hantman agreed, she has three months to begin with and it is up to her if she needs an extra month.

Alternate ABAC member Ms. Lisa Smith asked whether the advertising of this position would be extended if HR were not to receive two or more formal applications. Dr. Baglos responded that this would require a conversation with the Board; and she would follow direction from the Board.

ABAC Chair Mr. Wendelken suggested they get back to the issue of the dates which may be difficult. He mentioned that he had a conversation with Dr. Baglos where they discussed graduation, Board meetings, Committee meetings and the timeframe in which they have to get all this done and it was ultimately decided it was better to come here and try to get consensus on the dates then to try to fit a certain date.

Dr. Baglos stated that in keeping with the proposed timeline, assuming that they will complete the review of minimum qualifications prior to the close of business on June 1, 2021, a recommendation pending scheduling of this body would be for a first special ABAC meeting **the week of June 7, followed by a subsequent scheduling of a special ABAC meeting the week of June 14**, to allow for this body to review and screen candidates and then conduct oral interviews which then would afford reference and background checks of finalists from June 21 through June 30. It is also her understanding that in 2018 when they proceeded with this process, the Board members themselves asked for individual conversations with the candidates and her office would of course assist with that again during that timeframe.

Board member/ABAC member Ms. Mari Tere Rojas commented that her only concern is that vacation time is fast approaching so the ABAC alternates may have to be called in if some of the ABAC members are not available. Also, last time, they did have individual interviews and they went very well and she thinks that is a great new initiative that was implemented and viable. Ms. Rojas stated that for the record

they have the best negotiator in the world, Board Chair Mrs. Hantman, she has been doing this for many years and is a tough negotiator. She has the experience, know-how and firmness that is necessary. Ms. Rojas thanked Dr. Baglos for her presentation, she appreciates all the information, and requested to receive the dates as soon as possible.

ABAC Chair Mr. Wendelken stated that several ABAC members were here the last time when the last Chief Auditor was selected and he is trying to recall if they had a special meeting, and it was not necessarily all the participants of the ABAC. He inquired whether everyone from the Committee should be present or only a portion of the membership. Chief Auditor Ms. Gonzalez referred the Committee members to the minutes of the Special ABAC meeting of April 26, 2018 and those minutes memorialized the attendance of the ABAC members that were present that day. From those minutes, it appears that only two ABAC members were absent, but the majority was present and she went over several of those members' names that were listed as present. Dr. Baglos concurred with that in reviewing the screening sheets from her records and she has scores of all but two members. Ms. Gonzalez stated that from the meeting minutes published in the OMCA website, regarding the meeting corresponding to the interview committee, of the 12 members, four were not in attendance. They still had majority attendance.

ABAC member Mr. Juan del Busto commented that one reason he was not in attendance was because he had a conflict. One of the applicants he had worked with before as Audit Chairman and she was the Chief Auditor at that institution. That might come up again depending on who applies, members might have individual conflicts that would prevent participation in if they have knowledge pro or against a particular individual. That can happen again, if that person sees the opening in MDCPS and applied before that doesn't preclude her from applying again.

ABAC Vice-Chair Mr. Christopher Norwood stated just to be clear regarding the timeline, the ABAC must hold two special ABAC meetings in June. Dr. Baglos responded that if the will is to be able to provide the Board with candidates' options for the July Board meeting, then yes, those two meetings would need to happen in June in order to allow the interviews and the individual interviews for the Board members. Mr. Norwood inquired that whatever results come out of those two special ABAC meetings, the results do not have to come back to a regular ABAC meeting, whatever those recommendations are can go directly to the School Board. Dr. Baglos responded that is correct. Mr. Norwood commented that last time they had a regular ABAC meeting right after the second special ABAC meeting, so that regular ABAC meeting was not necessary to approve whatever the special meeting was or anything like that. He wanted Ms. Gonzalez to confirm. Ms. Gonzalez responded that the May 8, 2018, ABAC meeting that was scheduled back then was part of a regular scheduled meeting. The regular meetings' timeline just happened to coincide with the timeline of the special meetings which happened between previously scheduled regular meetings in March and May. Mr. Norwood stated that last time the two meetings were a week apart, and asked the Chair if the Committee should keep with that and do a meeting on a Monday and then the following Monday or for a Tuesday and then the following Tuesday. Mr. Wendelken responded that he thought to keep in line with how they do the ABAC meetings which is Tuesday, but at 10:00 AM time instead of 12:30 PM depending on the number of candidates. The process does take some time.

ABAC member Mr. Lopez asked if it could be June 8 and June 15. Mr. Wendelken responded essentially yes, if the members could look at their calendars and see what the dates look like. The ABAC members are going to receive information from Dr. Baglos' office. On June 1st everything will be completed, and he inquired whether ABAC members will receive the package in advance to review prior to the first meeting or at the first meeting. Dr. Baglos asked for a moment to confer with Professional Staffing. In the meantime, Mr. Clarin had a question about the timeline and wanted to piggy-back on what Ms. Rojas said about vacations, just to give more time, if there was an Interim Chief Auditor for three months and possibly four through action of the Board Chair, why is this Committee rushing before the July meeting when the August School Board meeting is usually a very early August meeting because they do it before opening of schools and there is only two to three weeks between the July and August School Board meeting.

ABAC Chair Mr. Wendelken responded that he had thought of that as well and having discussion with Dr. Baglos, but they were contemplating having that individual hired in the summer to catch up, to review

the files and possibly have communication before school starts. Alternate ABAC member Mr. Clarin stated that the Chief Auditor position doesn't have to coincide with the opening of school procedurally and thinks it's important to take the time, perform due diligence, do it the right way rather than a quick way. ABAC member Mr. Lopez stated that he agrees with the comment of not rushing it, but if this can be done sooner rather than later, the earlier would be the better approach.

ABAC Chair Mr. Wendelken asked the School Board Chair if there is any preference as to the timing. Mrs. Hantman stated that to clarify the questions about the timing and was trying to get the exact date, they received the notification of Ms. Gonzalez's retirement on March 18, and they (Board) had a meeting the day before, March 17, therefore it could not be discussed at the Board meeting and requested a special meeting on April 7th so the Board could give her direction on how to proceed and start the process. Ms. Gonzalez's last day on the job will be June 21, 2021, and she cannot divulge what she will be discussing with Mr. Goodman on Thursday but obviously Ms. Gonzalez will be holding the job until June 21, although she is taking some vacation time, but she has indicated that she will be available.

Chair Hantman stated that regarding the date that she and Mr. Goodman agree to start the contract, that could start anytime, either before or after June 21st, it depends on their discussion on Thursday, which she is not ready to discuss since she has not had the meeting with Mr. Goodman. There will be three months when Mr. Goodman will be Interim Chief Auditor and then she has the permission to extend another month if the Board has not decided on the permanent Chief Auditor. She wanted that for clarification. Additionally, Mrs. Hantman wanted ABAC members to know that prior to publishing the advertisement, Dr. Baglos sat with her and showed her how the advertisement would read and was very gracious to allow her to look at the advertisement and it reflects exactly what the Board Policy says and about the qualifications. Mrs. Hantman commented that regarding dates she cannot specify when Mr. Goodman will start as the Interim Chief Auditor until she has her discussion with him, but as soon as she does and has a contract will be happy to relay the message to all ABAC members.

ABAC Vice-Chair Mr. Christopher Norwood asked if something is happening on June 1st as a part of this process or the end of May. Dr. Baglos responded that applications are due by 4 PM on May 27th and HR will complete their process of pre-screening no later than close of business June 1st. Mr. Norwood asked that when she said screening, this will determine who will be passed on to ABAC members. Dr. Baglos responded that's correct, they review for minimum qualifications. Regarding dates for the special meetings and conflicts with graduation ceremonies, ABAC Chair Mr. Wendelken stated that it is his understanding that graduations are not taking place on Fridays and suggested having a meeting on Friday. Ms. Gonzalez stated that graduations are from the 1st through the 9th. Mr. Norwood offered the 4th and the 18th. Ms. Rojas stated that she has a graduation on the 4th at Young Women Preparatory Academy, which is a Friday.

ABAC Chair Mr. Wendelken suggested coming up with some preliminary dates. After brief discussion on dates, ABAC member Mr. Juan del Busto stated that he can attend the meetings on Friday June 18th and June 25th. Mr. Norwood then suggested the 18th and the 25th.

Alternate ABAC member Mr. Clarin asked if there is an option for those who can attend to attend virtually. Ms. Gonzalez commented that currently the way they do the virtual/in person meeting is once they have a physical quorum in the room and they need six individuals in the room, then anyone else from the Audit Committee can attend virtually. Deputy Assistant Board Attorney Mr. Luis Garcia confirmed that yes, these meetings are all in public, so an advisory committee meeting whether interviewing candidates or not it would still be in a public setting, so any member can attend virtually once a physical quorum is established. Mr. Clarin stated that he mentions that because not only members of this Committee but also any candidates that are being interviewed for one reason or another whether internal or external or around the country, they may end up being virtual as well. Mr. Norwood asked Mr. Wendelken if they can poll the members for the 18th and the 25th. Mr. Wendelken polled the members to see if they are available on those dates and the results were as follows:

1. Ms. Watson – yes on both dates
2. Ms. Gillenwater – needs to confirm, didn't think she would be available
3. Ms. Smith (alternate) – she can make herself available if the regular member is not available

4. Mr. Clarin (alternate) - he will confer with Ms. Hochkammer, he is available on the 18th but not on the 25th
5. Mr. Kaufman - yes on both dates
6. Mr. Miranda - yes on both dates
7. Ms. Rojas - yes on both dates
8. Mr. Lopez - yes on both dates
9. Mr. del Busto - yes on both dates
10. Mr. Norwood - yes on both dates
11. Mr. Wendelken - yes on both dates

ABAC Chair Mr. Wendelken asked ABAC member Ms. Gillenwater if her alternate would be available. Ms. Gonzalez stated that she would contact Board member Ms. Lucia Baez-Geller regarding the alternate and will get back to Mr. Wendelken with a response. Also Ms. Gonzalez stated that they should contact ABAC member Mr. Stephen Hunter Johnson since he is absent today; but he may be available these two days and the Committee may have an additional person.

Mr. Wendelken stated that it looks like they have the majority of the Committee in attendance for those two dates. Ms. Gonzalez stated that they have more than six members which would consist of the Committee's quorum. Mr. Wendelken commented that of the participants who are available those days, the majority will be in physical attendance. If anybody needs to be virtual, because there will be a physical quorum, then there can be virtual participants as well.

ABAC Vice-Chair Mr. Norwood made a motion to schedule the two Special ABAC meetings for June 18th and June 25th at 10:00 AM. The motion was seconded by ABAC member Mr. Lopez.

Next, Mr. Wendelken asked Dr. Baglos if having the meetings on these dates would provide enough time to have everything ready for the July 14th School Board meeting. Dr. Baglos replied that her concern was giving the School Board enough time before the meeting. Mrs. Hantman stated that she can approve a Good-Cause item at the July School Board meeting if needed. Last, Mr. Wendelken asked Dr. Baglos if they have completed the task at hand and asked if there were any other items that needed to be addressed. Dr. Baglos said the task was complete and thanked Mr. Wendelken. No other comments were made on the item.

The Chief Auditor Ms. Gonzalez brought to ABAC Chair Mr. Wendelken's attention that there was a motion pending on the floor for the ABAC to approve June 18th and the 25th for the screening and the interview meetings. Mr. Wendelken agreed, a vote was taken, **and the motion carried unanimously to approve June 18 and June 25, 2021 as the dates for the two SPECIAL meetings of the ABAC starting at 10:00 AM.**

OLD BUSINESS-- Letter from MECA Re: Succession (INFORMATIONAL)

Chief Auditor Ms. Gonzalez introduced the item. She also introduced Mr. William McAuliff, Executive Director of MECA, and Mr. Benton Launerts from MECA, who were both attending via Zoom. Mr. Wendelken asked Mr. McAuliff if there was anything to add to the letter.

Mr. McAuliff stated that the letter was a collaborative effort between two of MECA's Board members. It was felt that some of the concerns from the ABAC meeting of March 9 were brought up in the letter. Things have been slow for many organizations because of COVID, and a lot of MECA's stakeholders depend on donations from the outside, so some of the audit administrative fees are not as anticipated. Through the meetings with the Board members and stakeholders on April 20, there was a commitment to do whatever possible to try to keep the donations coming in.

MECA member Mr. Benton Launerts added that donations have been good for being in a COVID situation. There have been online auctions and virtual events that have exceeded the goals. There are several academies and magnet programs that contribute to MECA, and the request for those donations have been increased. It is certainly sustaining. In the letter, there is a request due to some rights MECA may have for some additional funding for some of the payroll expenses for bookkeeping, etc.; and MECA would like to have the School Board look into that. Also, MECA is actively recruiting for a

succession plan. Recruiting is tough right now, but Mr. McAuliff has agreed to stay on through the end of this year. The Board will be informed when a replacement is found.

Mr. Wendelken recognized Ms. Rojas. Ms. Rojas stated that she heard Mr. Launerts state they are actively recruiting and asked him to elaborate how they are recruiting, how this message is getting out to possible candidates in the community. Mr. Launerts responded that they established a committee amongst the MECA Board that is working on recruiting. He explained that the MECA Board is largely made up of business partners like himself, and many are involved in other organizations, they include the Director of the Hotel Association and many similar type people in the group who are actively looking within those organizations and within their own networks at the moment.

Mr. Wendelken asked if there were any other questions or comments.

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.

NEW BUSINESS

The Committee did not have any new business to discuss.

ADJOURNMENT

Since there was no further business to come to the Committee, the Committee made a motion to adjourn at 3:38 PM.

MTG/JG:tr