

**COLUMBUS CITY SCHOOLS
BOARD OF EDUCATION
AUDIT AND ACCOUNTABILITY COMMITTEE MEETING**

**January 24, 2019
at
Columbus Education Center – Cabinet Room**

Committee members present:

Gary L. Baker, II, Acting Chair, Board President, Eric Brown, Board Member, Charles Saunders, Franklin University, Community Member, Gregory Jordan, Nationwide, Community Member, Ilija Vadjon, The Wendy's Company, Community Member

Others present: Carolyn Smith, Stan Bahorek, Maria Stockard, Maurice Oldham, Mike McCammon, Kevin O'Connor, Dion Brown, Kevin Saionzkowski, Terri Berchak, and Carolyn Edwards

Committee member absent: Ramona Reyes, Board Member, Tim Grant, Community Member

Acting Chair President Baker called the regular meeting of the Board of Education Audit and Accountability Committee (the Committee) to order at 3:30 p.m.

Acting Chair President Baker recognized the attendance of Committee Members: Charles Saunders, Gregory Jordan, Eric Brown, and Ilija Vadjon.

The Committee welcomed new member Mr. Ilija Vadjon. Member Vadjon provided the Committee a brief background regarding his professional experience and shared with the Committee his current position of managing an information risk team and penetration testing team.

Approval of Minutes

The motion to approve the minutes of the regular meeting held on August 23, 2018 was made by Member Saunders and seconded by Member Jordan. The Committee unanimously approved the minutes.

Committee Operations

Calendar of Meetings for the Year

Ms. Smith and the Committee discussed the 2019 Audit & Accountability Committee Calendar of Meetings.

A motion to approve and release the Calendar of Meetings for the Year with the adjustment of the March meeting being confirmed for the 26th and the October meeting scheduled for the 24th was made by Member Jordan and seconded by Member Saunders. The Committee was all in favor.

Audit Committee Calendar of Activities

Ms. Smith provided to the Committee an overview of the A&A Calendar of Activities.

Member Jordan suggested when a discussion topic is moved to another meeting it should be noted and reflected in the minutes. This will ensure from a governance perspective fiscal year topics of study are completed in a timely manner.

Acting Chair President Baker, Mr. Bahorek, Ms. Smith, and the Committee engaged in discussion regarding the AOS official post audit date. The AOS post audit will be scheduled for March 26th.

A motion to approve the Audit Committee Calendar of Activities was made by Member Saunders and seconded by Member Jordan. The Committee was all in favor.

Consider and Plan for Succession of Committee Members

Ms. Smith and the Committee engaged in discussion regarding succession planning for audit committee members. Ms. Smith informed the Committee we did have a challenge filling our last community vacancy. Member Jordan suggested the Committee carry a non-voting or Ex-officio member for perhaps a year to run parallel.

Ms. Smith and the Committee engaged in further discussion regarding succession planning for committee members.

Review and Evaluate Performance of External Auditors

Ms. Smith, Mr. Saionzkowski, Mr. Bahorek, and the Committee engaged in discussion regarding the review and evaluating performance of external auditors. Acting Chair President Baker suggested the discussion be revisited at the next A&A meeting.

Office of Internal Audit Report

Request for Release of Audit Report(s)

2017-2018 High School Audits

Mr. O'Connor directed the Committee to the 2017-2018 High School Audits Report in their meeting packets. The Executive Summary, Audit Objectives, Audit Scope, Methodologies, and Background were discussed. In an effort to keep the audit information as current as possible OIA utilized a rolling nine-month audit period for each high school.

The following moderate-risk issues and recommendations were discussed:

Issue No. 5 – Inconsistent Process for Documenting and Approving Substitute Jobs

Issue No. 6 – Inconsistent process for documenting and approving KRONOS entries

Issue No. 8 – Insufficient supporting documentation for attendance changes or deletions in Infinite Campus

Mr. O'Connor, Mr. Oldham, Mr. Bahorek, Ms. Berchak and the Committee engaged in further discussion regarding the 2017-2018 High School Audits Report.

Member Jordan suggested an adjustment be made to Issue #4 stating if the visitor management is not operational there are other mitigating controls in place by the school to ensure safety of who was coming in and out of the schools.

A motion to approve and release the 2017-2018 High School Audits Report with amendments to Recommendation #4 on Page 9 to include mitigating controls, and Issue #6 on Pages 4 and 10 to add the word manual, was made by Member Brown and seconded by Member Saunders. The Committee was all in favor.

Accounts Payable (AP) Follow-up Status Report

Mr. O'Connor informed the Committee the AP Follow-up Report was reviewed at a prior A&A meeting. The Committee's recommended adjustments to the report on Page 6, Recommendation #12 – Efficiency of the Accounts Payable Process initial follow-up status of "Accepted" was changed to "Not Implemented". This also affected changes on Page 3, 5, 6, 7, 8, 9 and 11 of the AP Follow-up Status Report.

Acting Chair President Baker asked the main issue here is electronic payments. Mr. O'Connor replied the efficiency of the process yes. Acting Chair President Baker inquired is that because we are still using manual checks when the preference appears to be that we pay electronically.

Mr. O'Connor, Mr. Bahorek and the Committee engaged in further discussion regarding management accepting risk.

A motion to approve and release the Accounts Payable Follow-up Status Report with an amendment to the Results section, second paragraph on Page 5 to also include the sentence "These items will be moved forward for continued review", was made by Member Saunders and seconded by Member Jordan. The Committee was all in favor.

Human Resources (HR) Part III Follow-up Status Report

Mr. Brown (Segment Audit Manager) and Ms. Stockard were at the table to present the HR Part III Follow-up Status Report. Mr. Brown directed the Committee to the overview on Page 3 of the report. Mr. Brown reminded the Committee the report was presented during the August 23rd meeting.

As far as revisions to the follow-up report we reclassified recommendations 3,4,5 & 19 as Not Implemented. HR management revised their management's corrective action responses with a new target implementation date of March 2019.

Mr. Brown, Ms. Stockard, Ms. Smith and the Committee engaged in further discussion regarding the HR Part III Follow-up Status Report.

A motion to approve and release the Human Resources Part III Follow-up Status Report was made by Member Jordan and seconded by Member Saunders. The Committee was all in favor.

Acting Chair President Baker informed the Committee for the record he serves as an Ex-officio member of the Committee and cannot vote. The A&A Charter will be updated to provide language for a non-voting Ex-officio member.

Review of All Major Changes to the Annual Audit Plan

Ms. Smith informed the Committee there are no major changes to the annual audit plan. OIA is short one FTE, but the work plan is still on target.

Acting Chair President Baker inquired when the FTE vacancy will be filled. Ms. Smith shared with the Committee we would like to wait until OIA's audit management software is implemented, and then assess the needs of the office.

Review Status of QAIP Activity

Mr. Saionzkowski presented the status of the Quality Assurance and Improvement Program (QAIP) to the Committee. The International Professional Practice Framework (IPPF) Code of Ethics *Standards* require that OIA conduct a periodic assessment of its quality assessment and part of its quality assessment and improvement program. OIA recently completed our internal assessment in late-December, early-January.

The results of the operating procedures' review and the engagements' review were presented to the Internal Auditor/Chief Audit Executive as well as the Internal Audit Director for consideration.

Mr. Saionzkowski, Ms. Smith and the Committee engaged in further discussion regarding OIA's QAIP activity.

Member Jordan suggested OIA bring the old Procedures Manual and the track changes to the Committee for review. Ms. Smith concurred.

Confirm OIA Organizational Independence

Ms. Smith explained to the Committee the process for determining OIA organizational independence. Ms. Smith and the Committee engaged in further discussion regarding OIA organizational independence.

A motion to accept OIA's Organizational Independence is intact was made by Member Jordan and seconded by Member Saunders. The Committee was all in favor.

Internal Audit Activity and Dashboard Report

Ms. Smith provided the Committee an overview of the Internal Audit Activity and Dashboard Report. The new streamline report illustrates where OIA stands on the work plan. OIA committed to 19 projects on the work plan. The Internal Auditor/CAE will provide an update on the work plan at each regular scheduled committee meeting.

Risk Management and Mitigation Report

No Report Due

Ethical and Legal Compliance Report

No Report Due

Financial Reporting

Moved to an upcoming meeting.

Adjournment

A motion to adjourn the meeting was made by Member Vadjon and seconded by Member Saunders. The Committee Chairperson adjourned the meeting at 5:13 p.m.