

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

**February 27, 2020  
at  
Columbus Education Center – Cabinet Room**

**Committee members present:**

James Ragland, Chair, Board Member, Carol Beckerle, Board Member, Jennifer Adair, Board Member, Ilija Vadjon, Community Member, Gregory Jordan, Community Member, Tim Grant, Community Member

**Others present:** Internal Auditor (IA) Carolyn Smith, Stan Bahorek, Maurice Oldham, James Barnes, Monique Jacquet, Jacqueline Bryant, Jenny Vanover, Michael McCammon, Annette Morud, Steven McElroy, Stephen Andrews, Tony Michel, Kevin O'Connor, Dion Brown, Terri Berchak, Kevin Saionzkowski, Harold Saunders and Carolyn Edwards.

**Committee member absent:** None

Chair Ragland called the regular meeting of the Board of Education Audit and Accountability Committee (the Committee) to order at 3:32 p.m.

Chair Ragland recognized the attendance of Committee Members: Ilija Vadjon, Tim Grant, Carol Beckerle, Gregory Jordan, and Jennifer Adair.

**Approval of Minutes**

The motion to approve the minutes of the regular meeting held on January 23, 2020 was made by Member Grant and seconded by Member Jordan. The motion passed unanimously.

**Committee Operations:**

**Approve Audit Committee Calendar of Activities CY 2020 Tabled/Vote for Release**

IA Smith reminded the Committee last month we tabled a vote to release the Audit Committee Calendar of Activities because we had so many new members and wanted to give you all a chance to get familiar with it and if you had any questions and to answer those questions.

Chair Ragland entertained a motion to remove this from the table for discussion today. A motion to un-table the Audit Committee Calendar of Activities CY 2020 was made by Member Adair and seconded by Member Beckerle. The motion passed unanimously.

A motion to approve and release the Audit Committee Calendar of Activities CY 2020 was made by Member Beckerle and seconded by Member Grant. The motion passed unanimously.

**Office of Internal Audit Report**

**Request for Release of Audit Report(s)**

### Payroll – Overpayments Audit Report Tabled/Vote for Release

Chair Ragland entertained a motion to remove this from the table for discussion today. A motion to un-table the Payroll – Overpayments Audit Report was made by Member Beckerle and seconded by Member Grant. The motion passed unanimously.

Mr. O'Connor and Ms. Berchak led the discussion for the Committee's suggested modifications made to the Payroll – Overpayments Audit Report.

A motion to approve and release the Payroll – Overpayments Audit Report was made by Member Beckerle and seconded by Member Grant. The motion passed unanimously.

### Fleet Services Department Audit Report

Mr. Brown and Mr. O'Connor led the discussion on the Fleet Services Department Audit Report.

The Executive Summary, Audit Objectives, Audit Scope, Methodologies, and Background were discussed. The period of time for the audit included all activity relating to the Fleet Services Department processes from July 1, 2018, through August 31, 2019. The audit scope was expanded to include fiscal year 2016 to current for the work completed regarding the Motor Fuel Tax refund.

OIA reported 12 issues and 14 recommendations. OIA rated the risk associated with the 12 issues as follows: 3 high, 8 moderate, and 1 low.

The following moderate- and high-risk issues and recommendations were discussed:

**Issue No. 1** – No funded school bus replacement plan in place.

**Issue No. 3** – School Transportation van inspections are not being completed as required.

**Issue No. 4** – Lack of written operating procedures.

**Issue No. 9** – Fleet Services purchasing activities were not consistently compliant with District Purchasing requirements.

**Issue No. 10** – Fuel dispensing pump environments were not consistently compliant with various Ohio Administrative Code sections.

**Issue No. 11** – Fleet Services management did not apply for Motor Fuel Tax refunds.

Mr. Brown, IA Smith, Mr. O'Connor, Mr. McElroy, Mr. Andrews, Mr. Oldham and the Committee engaged in further discussion regarding the Fleet Services Department Audit Report.

A motion to approve and release the Fleet Services Department Audit Report with a modification to elevate Issue No. 3 to a high status was made by Member Grant and seconded by Member Beckerle. The motion passed unanimously.

### Payroll – KRONOS – Overtime / Compensatory Time Audit Report

Ms. Berchak led the discussion on the Payroll – KRONOS – Overtime / Compensatory Time Audit Report.

The Executive Summary, Audit Objectives Audit Scope, Methodologies, and Background were discussed. The period of time for the audit included all activity relating to the KRONOS – Overtime / Compensatory Time from July 1, 2018, through March 8, 2019.

The following high-risk issues and recommendations were discussed:

**Issue No. 1** – Lack of business objectives, metrics, and risk analysis of the Payroll – KRONOS – Overtime Compensatory Time processes. Repeat Issue

**Issue No. 2** – Lack of BOE policies for overtime and compensatory time. Repeat Issue

**Issue No. 3** – Lack of written procedures for the overtime and compensatory time processes. Repeat Issue

**Issue No. 6** – Exceeding Compensatory Time maximum balances.

Ms. Berchak, Mr. Bahorek, IA Smith, Mr. Oldham and the Committee engaged in further discussion regarding the Payroll – KRONOS – OT / CT Audit Report.

A motion to approve and release the Payroll – KRONOS – Overtime / Compensatory Time Audit Report with a modification to Issue No. 6 language in Paragraph No. 1 be changed to reflect any hours that exceed the maximum are dropping off time and that time should have been paid as straight time was made by Member Jordan and seconded by Member Beckerle. The motion passed unanimously.

### **Internal Audit Activity and Dashboard Report**

IA Smith presented to the Committee a high-level overview of the OIA Activity Dashboard.

The addition of the LED Lighting audit and deletion of the Accounts Payable audit were approved at a previous committee meeting.

A conference call, with the Committee, to review the OIA Annual Audit Plan/Risk Assessment will be scheduled for May.

### **Risk Management Report**

#### **Major Financial and Accounting Risk – Opportunity Study**

Mr. Bahorek presented to the Committee an update of the opportunity study. The opportunity study started from an OIA audit recommendation regarding the Treasurer's office not having a procedures manual.

The opportunity study was performed by the firm Rae & Associates. The Treasurer received the report and deliverables three weeks ago. A new position has been created to oversee the implementation of the recommendations that come out of that report.

Mr. Bahorek, Mr. McCammon, IA Smith and the Committee engaged in further discussion regarding the opportunity study update, risk assessments, and written policies.

Rae & Associates will attend the Finance and Accountability Committee (FAC) in March to do a presentation.

### **Adjournment**

A motion to adjourn the meeting was made by Member Jordan and seconded by Member Grant. The Committee Chairperson adjourned the meeting at 5:28 p.m.