



INFORMAL MINUTES

The purpose of this document is to provide an overview of the actions taken by the School Board and of discussions and reports given. Anyone interested in viewing the full meeting, please visit the School Board website at <https://www.pps.net/domain/219>.

A Meeting of the Board of Education's Audit Committee came to order at 5:02 pm at the call of the Committee Chair Brim-Edwards. This meeting was held virtually due to Covid-19 and streamed live at: <https://www.youtube.com/user/ppscomms/videos>

There were present:

Committee Members

Directors Bailey, Brim-Edwards (Committee Chair), and DePass; Student Representative Shue; Community Representative Kate Wilkinson

Staff and Other Attendees

Kara Bradshaw – Executive Assistant, Board of Education
Mary Catherine Moore – Internal Auditor
Timothy Gillette – Talbot, Korvola & Warwick (TKW)
Janise Hansen – Senior Internal Auditor
Claire Hertz – Deputy Superintendent of Business and Operations
Parker Myrus – District Student Council Representative
Tracy Pinder – Senior Director, Finance
Rosanne Powell - Senior Manager, Board of Education
Terry Proctor – Manager, Multimedia Services
Jason Romney – Talbot, Korvola & Warwick (TKW)
David Roy – Senior Director, Communications
Jackson Weinberg – District Student Council Representative

Pre-meeting

The virtual meeting opened for attendees to arrive at 4:45pm. No deliberation or decisions were made prior to the start of the meeting.

Public Comment

- None.

Report: Comprehensive Annual Financial Report (CAFR) & Report on Requirements for Federal Awards

Time Started: 5:03 pm

Mr. Timothy Gillette provided an overview of the Comprehensive Annual Financial Report (CAFR), noting that it is an unmodified opinion. He noted that they found two minor items to report. Director DePass asked if there were any corrective actions required. Mr. Gillette replied that there was no action needed for correction, adding that if the percentage of instances were higher, there would be action needed. Mr. Gillette provided an overview of the Report on Requirements for Federal Awards. He noted that the federal government strictly regulates the reporting requirements and that they found a clean report. He shared that the district has improved its financial systems and that it has been a few years since there were many issues to report.

The Committee unanimously recommended that the full Board accept the financial audits. The audits will be presented to the full Board at the Regular Meeting scheduled for December 15, 2020.

Report: Status of Secretary of State Audit Recommendations

Time Started: 5:30 pm

Director Brim-Edwards shared that the district was informed that the Secretary of State (SoS) would be returning to follow-up on the 2019 audit. Claire Hertz provided a status update on the three behind schedule implementations, as requested at the previous committee meeting. Ms. Hertz shared that for recommendation #3c the Secretary of State was looking for ways to keep bus driver costs down and that the district has proposed having two bus depots instead of one. She noted that a second bus depot would reduce the time drivers spend getting to and from their routes, as well as allow for smaller companies to bid on the proposals. She elaborated that more companies bidding for the proposals should result in lower pricing. She stated that the district is working on issuing a Request for Proposal (RFP) for each depot. She noted that the RFP process is lengthy, and the primary reason the implementation is behind schedule.

Ms. Hertz share that implementation of recommendation #1 16 is behind schedule due to the delays in the approval of the Student Conduct and Discipline Policy. She explained that the policy has been drafted but is on hold for negotiations with the Portland Association of Teachers (PAT) union because it impacts teachers. She stated that due to the pandemic, the only bargaining taking place with PAT is in relation to Comprehensive Distance Learning (CDL) and that they will move forward when that has been completed.

Ms. Hertz shared that recommendation #18B is about data tracking and coaching. She shared that the district issued an RFP for a data tracking system, but that they did not receive any responses that matched what they were looking for. She added that since then a Chief of System Performance has been hired and that he has been working on a system with the Chief of Student Support Services. She noted that the state of Oregon has also begun a statewide initiative to implement data tracking and is offering dollars through the Student Success Act (SSA) to support the work.

The Committee asked questions about the implementation of the recommendations. Director Brim-Edwards requested that the Implementation response elaborates on the amount of work and engagement conducted for the Student Conduct Policy. Director DePass asked if one vendor had to run both busing sites. Ms. Hertz replied that there could be different companies for each site or that one company could win both sites. Ms. Wilkinson asked if there was enough staff to support two companies at two sites. Ms. Hertz stated that there is enough coverage between contracted services and Portland Public Schools employees. Ms. Wilkinson asked if there was any work that has been done in regards to teacher training? Ms. Hertz stated that there is teacher training in process and that the component that is behind schedule is the tracking of the student supports.

Director Brim-Edwards noted there was no action needed from the Committee on the report.

Discussion: Additional audit options to add to the 2020-21 Audit Plan

Time Started: 5:46

Director Brim-Edwards shared that there were three audit options proposed as additions to the 2020-2021 Audit Plan, including an Enrollment and Transfer audit, an ESL audit, and a Civic Use of Buildings (CUB) facilities audit. Janise Hansen provided an overview of the three proposed audits. She noted that the primary purpose of an Enrollment and Transfer Hardship process audit would be to look at whether the transfer petitions are adequately supported and look at the impact of those decisions on student/school communities. Ms. Hansen added that the enrollment and transfer department currently does not have a system in place to centrally save documentation and evidence used for decision-making, making it challenging for the department to provide audit documentation and increases risk. She shared that an ESL audit would determine whether the district takes affirmative steps to ensure that students with limited English proficiency can meaningfully participate in educational programs. She noted that the ESL department is in the middle of reorganizing their department and that it would be better to wait until the department is established. She added that the current virtual environment would make it more challenging to connect with affected communities. Ms. Hansen stated that the advantage of completing

the facilities audit now is that there are very facility activities, noting that if any recommendations were made prior to returning to the buildings, implementation actions could occur during the transition.

The Committee responded to the proposal and asked clarifying questions. Director DePass requested that the enrollment transfers audit be disaggregated by race. Director Brim-Edwards suggested that the Enrollment and Transfer audit scope explicitly state that the audit would look for decision criteria, consistency, and transparency. Director Brim-Edwards stated that there was community feedback in support of a Hardship Transfer Audit.

Director DePass motioned to recommend to the full Board the addition of the Enrollment and Transfer Hardship Transfer Audit to the 2020/2021 Audit Plan. The motion was seconded by Director Bailey and put to a voice vote. The motion passed unanimously.

Office of Internal Performance Audit

Time Started: 6:10 pm

Ms. Hansen stated that she is requesting that the Board approve Key Performance Indicators (KPI) for the Office of Internal Performance Auditing. She provided an overview of three initial Key Performance Indicators. She shared that the target number of full audits completed per year would be 1.5 per full-time employee and that there would be a target rate of 75% of audit recommendations implemented within two years of an audit. She noted that the suggested informational performance measure would support Key Performance Indicator #1. She suggested a future Key Indicator (KPI 3) that would request feedback from Auditees and provide value and feedback to help them do impactful work.

Director Brim-Edwards noted that adopting Key Performance Indicators was suggested by the auditing department. She expressed hesitation regarding KPI 2 because an auditor could have good recommendations that are not implemented. She added that she supports implementing the proposed Key Performance Indicators as a starting point for the department. There was discussion regarding the implementation rate as an indicator. Ms. Hansen noted that tracking the rate of implementation of recommendations is an industry-standard.

There were no objections to the Office of Internal Performance Audits (OPIA) team moving forward with the Key Performance Indicators. Ms. Hansen stated that she would compile a detailed report on how the KPI's would be implemented and tracked and presented it in a future meeting.

Community Member Position for audit committee


Time Started: 6:31 pm

Director Brim-Edwards noted that there has only been one applicant for the open community member position and asked for the application to be shared with the Committee.

Adjourned

Committee Chair Brim-Edwards adjourned the meeting at 6:32 pm.

Submitted by:


Kara Bradshaw, Executive Assistant
PPS Board of Education