

**Minutes of the Roanoke City School Board Audit Committee
February 16, 2023**

Audit Committee Members:

Mark Cathey, Committee Chair – Present
Diane Casola, Committee Member - Present

Others Present:

Kathleen Jackson, Chief Financial Officer
Chris Perkins, Chief of Operations
Drew Harmon, Municipal Auditor
Cari Spichek, Senior Auditor

1. Call to Order

Mr. Cathey called the meeting to order at 11:00 a.m.

2. Approval of the minutes from the November 1, 2022 Meeting

Ms. Casola made a motion to approve the minutes from the November 1, 2022 meeting. The minutes were approved and filed.

3. Audit of the Capital Improvement Planning Process

Mr. Harmon stated that the CIP audit was part of the FY 2022 audit plan, and was started in March 2022. It was a busy time for the Schools and for Municipal Auditing, which led to some delays in completing the audit. He noted that the audit also required at least two meetings with the Virginia Department of Education (VDOE) to clarify how building capacities should be calculated based on VDOE guidelines.

Mr. Cathey asked if the VDOE had changed things (in relation to building capacities). Mr. Harmon responded that the VDOE has good guidelines for new construction, but the guidance was not clear about how calculate student capacities for existing buildings with smaller sized rooms. The VDOE simply multiplies the number of classrooms by the maximum pupil-to-teacher ratios (PTR) allowed by the State. However, they stated that the local school division controls class sizes and can apply a lower PTR for calculating building capacities.

Mr. Harmon noted that a quick review of the capacities being reported by the Division indicated there were errors. In some cases, useable capacity was higher than the constructed capacity. The Chief of Physical Plants agreed and asked architects engaged by the Division to recalculate student capacities. Architects were not consistent in how they interpreted the VDOE guidance and so capacity numbers continued to have issues. Management's Action Plan specifies how capacities should be calculated going forward. Municipal Auditing had suggested the Board might want to adopt a policy to help ensure building capacities are consistent and accurate in the future.

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Mr. Cathey was aware of capacity issues at Round Hill and some other schools, but he did not realize William Fleming and Patrick Henry were over capacity. He agreed there should be Board policy at some point.

Mr. Perkins commented on how things change from year-to-year, especially Average Daily Memberships (ADM). He talked about capacities listed on Table 21 (in the Annual Comprehensive Financial Report) and how the data never seemed quite right. Mr. Perkins gave Preston Park as an example, noting that Table 21 reported space for an additional 138 students when in fact, anyone visiting the school could see it is very crowded. He agreed that reading groups, specials and pull out instruction are often in hallways, stairwells and gymnasiums.

In noting how challenging it would be to create a policy on capacities, Mr. Perkins spoke about the differing PTRs in preschool, elementary school, middle and high school. He remarked about the hallways in the high schools and how it's clear during class changes that the schools are over-crowded.

Mr. Perkins commented on the major overhaul of the CIP process the Division had started just prior to the audit. The overhaul added an equity lens and scoring matrix, and additional changes have been made during the audit. He noted that principals are now asked annually to list capital improvement priorities on a new form, which is an improvement under the 3rd Objective of the audit. This provides schools an opportunity to get on the record when they need more space.

Mr. Perkin's hope is that between the feasibility study and the new building planned for Preston Park, capacity will be freed up. However, he reiterated the challenge of writing a Board policy that accommodates variations in class sizes and fluctuations in school-by-school ADMs.

Mr. Cathey talked about the projections cited in the audit regarding the decrease in Western Virginia school populations. He noted how the City is different and that it actually needs more housing to accommodate a growing population, including school-aged children.

Mr. Perkins noted that Roanoke City is one of five (5) refugee relocation sites in Virginia. This increases the need for English Language Learner (ELL) services, including additional teachers, aides and building space.

Mr. Cathey commented on the flexibility that is needed now with small groups, reading instruction, pull-out groups, etc., and how this takes a different type of facility.

Mr. Perkins noted another nuance, giving an example of classes such as Physics. The classroom might accommodate 25 students, but there may be only 12 students who sign up for the class.

Mr. Harmon went on to talk about conditions of the buildings, noting that one of the main objectives of the audit was to verify the Division had an inventory of all of its facilities and knew the condition of each. The Facilities department had put together an inventory prior to the audit, but it remains a work in

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progress. The Facilities Department is looking for a system that would be an improvement over the current process that relies on maintaining spreadsheets.

Mr. Perkins indicated the new system is in the budget and is awaiting funding. The system will automate many of the functions currently performed in spreadsheets. He noted that there is software that can interface with School Dude, the Division's current work order system.

Mr. Harmon commented on the importance of work order history as an indicator of building condition. He also mentioned the need for processes to help ensure data is entered accurately and consistently into the work order system.

Mr. Perkins agreed, giving an example of roof leaks. There may be 12 reports about a leaking roof, but in reality they should be counted as one work order.

Mr. Harmon asked the committee if there were any questions.

Ms. Casola stated she had two (2) thoughts. She inquired what the board should do regarding the establishment of a policy mentioned earlier, as there seemed to be differing opinions on this.

Mr. Perkins suggested any policy would need to be flexible enough to allow for annual changes in ADM. He was also concerned that a policy might have to be changed every time a major capital asset is renovated or newly built.

Ms. Jackson added that the policy would need to take into account the constraints of those buildings which have smaller classrooms and the need for smaller physical spaces.

Mr. Harmon added it any policy would need to be "principles-based" so that it promotes consistent decisions without being overly prescriptive.

Mr. Perkins stated the strategic plan indicates the Division will meet VDOE guidelines for pupil-to-teacher ratios. The Chief of Physical Plants and Mr. Perkins have already drafted a procedure which they would like to present the Board, as a Superintendent's Regulation.

Ms. Casola asked Mr. Harmon for his thoughts. He felt Mr. Perkin's plan made sense and that the Board could consider the need for a policy later. Mr. Harmon noted that his office had not identified any model policies that could be used for guidance.

Mr. Perkins noted that they have researched policies from other Divisions and that they are finding RCPS policies have similar language, but other Divisions have more steps in their policies. He added that the Division is working towards ISO compliance and that the proposed Superintendent Regulation will help.

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Ms. Casola asked if there is a plan for how this information (from the audit) will be shared with the third party performing the feasibility study.

Mr. Perkins responded that the RFP has not gone out yet and that the information from the audit will be provided, along with other required data. There are many things in play with the feasibility study, such as pupil-teacher ratios and Title I requirements, which will all be worked through with the vendor.

Ms. Casola stated that she just wanted to make sure the work that has already been done is provided and doesn't have to be duplicated.

Mr. Harmon noted that Auditing can share any data and records that may be of interest to the vendor.

Mr. Cathey thanked everyone for the report noting it contained a lot of good information. Mr. Perkins agreed and noted that the information from the audit has been helpful.

Ms. Casola asked how and when plans will be communicated to stakeholders.

Mr. Perkins responded that the CIP will be presented to the School Board on February 28, 2023. A response will go back to Principals letting them know the changes. Principals will be directed to submit facility maintenance items, such as new carpet, through operational budget requests.

Mr. Cathey thanked the group again for the report and discussion. The report was received and filed.

4. Other Business

Mr. Cathey asked if there was any other business to come before the committee.

Ms. Jackson updated the Committee on one of the items in the financial audit performed by Brown Edwards. While not a "finding," Brown Edwards commented on Ms. Jackson having "superuser" access to the financial system (Keystone). Ms. Jackson serves as a backup system administrator, which is important to have but is considered a risk given her role as Chief Financial Officer. In response, the Division has put in place a review process. Dominick McKee, Chief Human Resources Officer, will review reports showing Ms. Jackson's activity in the system each quarter. Ms. Jackson feels this is a good solution that should address Brown Edward's concern. Mr. Cathey responded that he was pleased with this update and thinks it is a great solution.

Mr. Harmon reminded the Committee of the next meeting scheduled for May 18, 2023 at 11:00 a.m. The agenda will include a presentation of the audit plan from Brown Edwards and Municipal Auditing's first draft of the internal audit plan for FY 2024.

5. Adjournment

Hearing no further questions or comments, Mr. Cathey adjourned the meeting at 11:49 a.m.