

The Board of Education

Of the City of St. Louis



December 10, 2024

On July 25, 2024 the Board of Education of the City of St. Louis authorized its outside legal counsel to engage the accounting firm Armanino to perform an assessment of certain administrative functions specifically related to administrative pay, hiring and credit card usage.

The executive summary, final report and recommendations from the assessment were released to the public on December 10, 2024 and are available at www.slps.org/audit.

The Board of Education along with Interim Superintendent Dr. Borishade will be working to implement the recommendations as well as other changes to policy, procedure and compliance that the assessment report has highlighted.

A brief overview of recommendations that are already underway or in the process of being implemented is listed below. Progress on the implementation of these recommendations will be updated regularly at slps.org/audit and will be a standing agenda item for discussion at Board of Education work sessions and Board meetings for the 2025 calendar year.

BOARD OF EDUCATION OF THE CITY OF ST. LOUIS **Initial corrective actions in response to December 10, 2024** **Management Assessment**

1. Internal Audit Function

- The school district has posted a job for an Internal Audit and Compliance Director which it expects to fill by the end of 2024 calendar year.
- In January 2025 the Board of Education will consider and adopt a revised finance policy clarifying that the internal audit function will be directed by the BOE's audit committee made up of independent community members with finance, accounting and audit expertise as well as a member of the Board of Education. This is a change from the previous internal audit structure, which was directed exclusively by the Superintendent with no reporting to the Board of Education.

- The Board of Education will also in January 2025 adopt a revised and expanded description of the Audit Committee to include a more detailed and formalized description of the committee makeup and its roles and responsibilities.

2. Board Oversight of Superintendent's Office

- The Board of Education will consider and adopt a revised bylaw outlining requirements for inclusion on its meeting agenda and the guidelines for the use of a consent agenda. The revised bylaw will specify what items are appropriate for a consent agenda and what items must be listed separately for either approval or ratification.
- The new board meeting agenda bylaw will also include standing items for approval or ratification of superintendent travel, credit card usage and procurement and contracting that is under the threshold for board approval.
- The Board of Education and Superintendent will undergo annual training on the District's travel and procurement procedures.
- The Board of Education will require the internal auditor to develop a process to regularly audit the district's purchasing, credit card and travel procedures to ensure compliance with Board policies.
- The Board will consult with outside legal counsel to update its whistleblower policy and procedures.

3. Board Documentation, Board Minutes and Reports

- The District is in the process of hiring a full time Executive Assistant to the Board of Education who will be solely assigned duties relating to the operation of the Board of Education.
- The Board of Education Executive Assistant will be required to obtain basic certification from the Missouri School Board Association's Board Secretary Academy within 6 months of hiring and master certification as soon as practicable.
- The Board will consider a revision to its by-laws regarding duties of its officers to clarify responsibility for ensuring compliance with timely board documentation and require certification from the MSBA's Board

Secretary Academy for the Board member or officer designated responsibility for leading oversight of Sunshine law compliance.

- The District is in the process of implementing an upgraded board document management platform. District employees and Board members will undergo regular training in the platform and ensure all of its features are used to ensure timely and accurate reporting of Board and Board Committee meetings.
- The Board of Education will consider and adopt a revised Sunshine law policy that will include requirements that the District utilize a Sunshine request transparency portal and that the Custodian of Records produce a regular report to the Board of Education regarding record request compliance.

4. Policies and Procedures: Finance

- In 2023 the Board of Education entered into an agreement with the Missouri School Board Association to use the Association's policy services to update existing policies and ensure compliance with statutory and regulatory requirements.
- The District has been undertaking a comprehensive review of MSBA's suggested revisions to the Finance Policies since October 2024.
- The District will present to the Board of Education proposed updates to the Finance Policy section for consideration and adoption in January 2025.

5. Policies and Procedures: Human Resources

- In 2023 the Board of Education entered into an agreement with the Missouri School Board Association to use the Association's policy services to update existing policies and ensure continued compliance with statutory and regulatory requirements.
- The District will undertake a comprehensive review of MSBA's suggested revisions to the Human Resources Policies after the Finance Policy suggestions are received.
- The District will present to the Board of Education proposed updates to the Human Resources Policy section for consideration and adoption in the first quarter of 2025.

6. Credit Card Monthly Cycle Limits

- The Board of Education will work with the Interim Superintendent to ensure these changes are implemented by the end of December 2024.

7. Credit Card Policy and Procedure Conflicts: Acceptable Purchases

- The Board of Education will work with the Interim Superintendent to ensure these changes are implemented by the end of December 2024.
- The Board of Education will consider and implement changes to its Board meeting agenda to include review and ratification of credit card statements.

8. Policy and Procedure Conflicts: Board Member Travel Purchases

- The Board of Education will ensure that these suggested changes are incorporated into the Finance Policy revisions to be considered and adopted in January 2025.

9. Credit Card Receipt and Documentation Retention

- The Board of Education will work with the Interim Superintendent and the incoming internal auditor to ensure that the appropriate procedures are in place to ensure that this recommendation is implemented.
- The Board of Education will work with the audit committee to ensure that the internal auditor monitors compliance with credit card receipt and documentation procedures.
- The Board of Education will consider and implement changes to its Board meeting agenda to include review and ratification of credit card statements.

10. Cardholder Agreement & Purchasing Card Training

- The Board of Education will work with the Interim Superintendent to ensure these changes are implemented by the end of December 2024.

11. Communication and Culture

- In addition to implementing the suggestions in section 2, the Board will use the annual superintendent evaluation process to prioritize communication and culture as a goal of the Superintendent by which she is evaluated. The Board of Education will establish progress monitoring of the communication and culture goals.