

DES PLAINES VALLEY REGION  
BOARD OF CONTROL  
OCTOBER 21, 2016

MINUTES

Dr. Jennifer Kelsall called the meeting of the Des Plaines Valley Region Board of Control to order at 1:34 p.m. on Friday, October 21, 2016 in Room 259 at Hamburger University, Oak Brook, IL. Voting members in attendance: Chairperson Dr. Jennifer Kelsall (Ridgewood Dist. 234), Vice Chairperson Ms. Mary-Rita Moore (Triton), Secretary Dr. Nick Polyak (Leyden Dist. 212), Dr. Kevin Anderson (Elmwood Park Dist. 401), Dr. Joylynn Pruitt (Oak Park & River Forest Dist. 200) Dr. Jesse J. Rodriguez (Proviso Dist. 209), Dr. Kevin Skinkis (Riverside-Brookfield Dist. 208). Also present: Dr. Anne Cothran (DVR), Ms. Denise Yaneck (DVR), Mr. Carl Thomas (Baker Tilly).

CONSENT ITEMS

The following items were presented for approval.

- A. September 26, 2016 minutes
- B. Ratification of copier payment
- C. Current board bills
- D. First quarter salary/benefits reimbursement to Leyden District 212
- E. FY16 CTEI return of revenue
- F. Revenue/expense report

Dr. Skinkis moved, Dr. Anderson seconded the motion to approve the consent items as presented.

Roll call vote.

Ms. Moore – aye

Dr. Polyak – aye

Dr. Anderson – aye

Dr. Pruitt – aye

Dr. Rodriguez – aye

Dr. Skinkis – aye

Dr. Kelsall – aye

FY16 AUDIT

The FY16 audit was completed. Bound copies of the final report were delivered to Board members one week prior to the meeting. Mr. Carl Thomas was present for discussion. He reviewed various items in the audit report with the Board. He stated that DVR has a clean opinion (i.e. there were no audit adjustments). DVR has a material weakness in that our limited resources do not provide for employment of a CPA who can produce the financial statements. This is considered a material weakness by professional standards and is found among many other entities and districts. The audit report includes a recommendation that DVR regularly check with our fiscal agent for confirmation of backups of the financial system. Dr. Polyak advised Dr. Cothran to contact Mr. Thomas Janeteas at Leyden regarding verification of backups.

FY16 AUDIT AND ICQ

Per the above discussion, each year DVR's audit report contains the following statement, which is common to many school districts: "Like most districts and joint agreements in Illinois, the

System does not maintain an external financial reporting department or function, but relies on its audit firm for this purpose. However, the external auditor is, by definition, external to the System and cannot be a part of the System's internal control structure since management is responsible for the fair presentation of the financial statements. While this is defined as a material weakness by accounting standards, it may not be practical or cost beneficial for the System to mitigate this weakness. New accounting literature continues to be added at an astonishing pace and comes from a variety of sources. Employing an individual who remains current on the ever changing accounting and reporting standards can add significant financial cost to your internal control process. As such, the System may choose to accept this risk as most districts and joint agreements in this state have done."

This year the new ICQ included a question on audit findings and a corrective action plan, but it did not allow for a response that a corrective action plan is not needed. Our auditor, Carl Thomas, advised Dr. Cothran on the appropriate response to the ICQ.

Dr. Pruitt moved, Dr. Anderson seconded the motion that the management response of the Board of Control will reflect that the Board's decision is to accept the risk, and that this acceptance constitutes fulfillment of a corrective action plan. Roll call vote.

Ms. Moore – aye

Dr. Polyak – aye

Dr. Anderson – aye

Dr. Pruitt – aye

Dr. Rodriguez – aye

Dr. Skinkis – aye

Dr. Kelsall – aye

#### REIMBURSEMENT OF GRANT CLAIMS

Currently more than \$280,000 in FY17 CTEI grant funds have been vouchered for DVR, but the funds have not been released by the comptroller. Due to the State's delay, Dr. Cothran questioned the Board whether we should use our reserve funds to reimburse districts for their CTEI expenses. Claims would be paid on a first come, first served basis until we reach the maximum amount of reserve funds that are available. The Board agreed not to use up our reserve funds, but to wait until grant money is released. Dr. Skinkis moved, Dr. Pruitt seconded the motion that, when FY17 CTEI grant funds are released to DVR, the claims we are holding will be processed for payment immediately, with ratification of those payments at the following Board meeting. This applies only to FY17. Roll call vote.

Ms. Moore – aye

Dr. Polyak – aye

Dr. Anderson – aye

Dr. Pruitt – aye

Dr. Rodriguez – aye

Dr. Skinkis – aye

Dr. Kelsall – aye

#### NOSA

With regard to GATA/NOSA, Dr. Cothran provided the Board with written detail about the NOSA requirements for our region and the action that has been initiated to address each area of risk. She reviewed each section and asked Board members to contact her if they wish to discuss any of the items in the document. The Board received copies of surveys that Dr. Cothran has developed and implemented to gather data for reporting purposes. The surveys are completed by

participants after events and professional development activities, as well as students who attended career spotlight events.

#### MONTHLY REPORT TO BOARD ON SITE VISITS

Per the GATA/NOSA requirements, Dr. Cothran must make site visits to our member districts to see activities that are supported by grant funds. Although ISBE has not yet issued the risk assessment level for all of our districts, Dr. Cothran is being proactive and has begun collecting information from the districts regarding when their activities take place so she can schedule site visits. The Board received the current status of scheduled site visits for FY17.

#### INFORMATION

The Board received minutes of the Administrative Council's meetings on May 12<sup>th</sup> and September 22<sup>nd</sup>.

#### CLOSED SESSION

At 2:00 p.m., Dr. Skinkis moved, Dr. Pruitt seconded the motion to move to closed session for the purpose of the appointment, employment, compensation, discipline, performance or dismissal of specific employees of DVR or legal counsel for DVR including hearing testimony on a complaint lodged against an employee or against legal counsel for DVR to determine its validity. 5ILCS 120/2c(1), as amended by PA.93-57. All ayes; motion carried.

#### ADJOURNMENT

The Board returned to open session. Dr. Skinkis moved, Dr. Anderson seconded the motion to adjourn at 2:07 p.m. All ayes; motion carried.