

WCCUSD Subcommittee on Clay Investigation
Alvarado Adult Education Campus

November 30, 2015
Minutes (as amended)

A. OPENING PROCEDURES

A.1 Call to Order

The meeting was called to order at 6:34 AM by Chairperson Liz Block.

A.2 Roll Call

Committee Members Present: Liz Block, Ivette Ricco, Valerie Cuevas (arrived 7:20 PM)

Staff Attendees: Lisa LeBlanc, Associate Superintendent for Operations; James K. Kawahara, Special Counsel; Phyllis Rosen, Clerical Staff.

A.3 Approval of Agenda

MOTION: Ms. Ricco moved to approve the Agenda. Ms. Block seconded. Ms. Block and Ms. Ricco voted yes, with no abstentions and Ms. Cuevas absent. Motion carried 2-0-0-1.

A.4 Approval of Minutes: September 23, 2015

Ms. Ricco corrected an error in Section B.2, second paragraph, changing “less conclusive” to “less inclusive.”

MOTION: Ms. Block moved to approve the minutes, as amended. Ms. Ricco seconded. Ms. Block and Ms. Ricco voted yes, with no abstentions and Ms. Cuevas absent. Motion carried 2-0-0-1.

B. DISCUSSION / APPROVAL ITEMS

B.1 Discuss approach and methodology for Phase I forensic accounting risk assessment

Ernie Cooper and Ana Rodriguez of Vicenti Lloyd Stutzman LLP “VLS” presented their approach and methodology for Phase I of the forensic accounting risk assessment. They provided handouts of two documents: 1) *Clay Investigation Subcommittee, Status Report* and 2) *Bond Program – Risk Score*, dated November 30, 2015.

Mr. Cooper discussed the work that has been performed and provided insight regarding the scoring process and interpreting the results. He clarified that the records request list was a living document that will be continually updated, and added that all records had been provided by the district in a timely manner. He said that an anonymous hotline was initiated on the district website on November 2, 2015.

Mr. Cooper clarified that the Risk Score document was a “draft” of the final risk score product, which summarizes the ten major categories. He added that the “risk score” column represented what the risk of waste, abuse or potential financial irregularity was at the time this concern was applicable.

Ms. Rodriguez spoke about the methodology used in determining the scoring and explained how more detailed information would be verified and displayed in the final report.

Mr. Kawahara asked Mr. Cooper for more detail regarding historical transactions. Mr. Cooper responded and commented on specific transactions within the conflict of interest category.

Mr. Cooper explained that there was only one limitation to the investigation which involved a former employee not being interviewed. Mr. Kawahara and Ms. LeBlanc provided clarification. Mr. Kawahara recommended that this issue be discussed in either a closed session of the Subcommittee or closed session of the full Board. Ms. Block commented that the Subcommittee should have been alerted to the entire issue beforehand and permitted an opportunity to be involved in any decisions that were made in communicating with the employee. -1.5(m)1-1.5(m)1-5.53 0 Td [(s)3.6.2(t)1.9(2(f)-1.8(xf)-10.0.9(e)3

B.3 Discuss / Approve next steps including finalizing Phase I risk assessment and communicating updates to the Board

Mr. Cooper said that the final deliverable for Phase I will show the scope, hours and projected costs for Phase II. The document will consist of a risk matrix and document of steps proposed for Phase II. It will include current controls, work to validate the controls, and testing recommended for Phase II. He anticipated providing a draft of the final risk assessment to the Board in 16 weeks. He said that the final risk assessment will be completed by the end of the year. He said that the final risk assessment will be completed by the end of the year. He said that the final risk assessment will be completed by the end of the year.

MOTION: Ms. Block moved to hold a Closed Session meeting of the Subcommittee on December 8, 2015, to discuss facilitating the participation of the former employee that VLS is recommending to include in Phase I interviews. Ms. Ricco seconded. Ms. Block, Ms. Cuevas and Ms. Ricco voted yes, with no abstentions and no absences. Motion carried 3-0-0-0.

MOTION: Ms. Block moved that staff request the Board President to place any recommendation regarding the former employee on the agenda for the Closed Session of the Board scheduled for December 9, 2015. Ms. Cuevas seconded. Ms. Block, Ms. Cuevas and Ms. Ricco voted yes, with no abstentions and no absences. Motion carried 3-0-0-0.

Discussion followed as to the best date to present to the Board with a target date of January 20, 2016, and scheduling the next Subcommittee meeting either January 7 at 6:30 PM or January 8 at 9:00 AM, depending on VLS availability.

D. ADJOURNMENT

Chairperson Block adjourned the meeting at 9:15 PM.