

Rochester Board of Education  
Audit Committee Meeting  
September 18, 2018

**Attendance:** Commissioner LeBron (Chair), Commissioners, Elliott, Hallmark, Powell, Sheppard, Funchess and President White. Dr. Aquino, Distinguished Educator and Superintendent Deane-Williams. Board Staff: Ms. Henry-Wheeler, Auditor General.

Commissioner LeBron convened the meeting at 5:41 PM.

**I. Approve Minutes from the June 5, 2018 Meeting:** Commissioner Powell inquired if administration agreed with the recommendations in the minutes. Ms. Henry-Wheeler communicated the OSC issued the audit report a year ago and then required a District Corrective Action Plan (CAP). The District would have addressed any disagreement or concerns with those recommendations at that time. Since the CAP was approved by the Superintendent and Board, management was expected to complete the work. The June meeting was continued from the May status meeting. Motion to approve by Commissioner Hallmark and Seconded by Commissioner Elliott. Approved by all present.

**II. Audit Risk Assessment Results:** Ms. Henry-Wheeler communicated that she met with Superintendent Deane-Williams to review the Risk Assessment findings and audit plan. She provided an overview of why the Risk Assessment was performed, the assessment process, and the mission of the department to support the Board and District. Interviews were performed with approximately 30 randomly selected leaders to obtain different views and perspectives including Board members, cabinet level staff, operating managers, building level personnel, and union level representation. Other sources of information included prior year audit concerns, information provided to OAG throughout the year, independent third party reports, regulatory requirements, and industry trends. Evaluation criteria included the impact on educational services, public interest/sensitivity, financial concerns, strategic value, regulatory concerns, fraud risk, management stability, operating environment and Board concerns, as communicated through risk assessment and throughout the year.

From the interviews, the top 10 recurring concerns are noted below, although the District is actively working on some of these items:

1. Culture of the District	6. Human Resources
2. Leadership	7. Finance
3. Accountability	8. Placement
4. School Operations and Supervision	9. Special Education
5. Student Achievement	10. Parent Engagement

Commissioner Elliott expressed concern that parents were not considered in the assessment. Ms. Henry-Wheeler stated that parent concerns were a significant item discussed in almost all of the interviews, recognizing the importance of parent involvement. In addition, the Executive Director of Parent Engagement was also included. Ms. Henry-Wheeler then discussed each of the risk categories individually.

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Culture and Tone at the Top included behaviors that RCSD employees experience, as demonstrated by the Board, Superintendent, Cabinet, Directors, and Managers. It is what everyone is doing: as we make decisions, spend money, communicate, everything we do, not just what we say. When we change the culture; this is what is going to help us meet the organizational objectives. We can say something is important, but if we don't demonstrate it in our actions, then we need to change the way we do business. All decisions have to focus on students first. This issue resonated through much of the conversation that came up. Ms. Henry-Wheeler discussed an article on Board oversight of an organization culture and disconnects between what the Board is looking for and what people are actually doing. It reflects how culture impacts hiring practices, decisions, our productivity, goal setting, how we meet those goals, and people. Dr. Aquino asked Ms. Henry-Wheeler to elaborate in the areas of decision-making, spending, communication, everyday actions in terms of behaviors and what was found. Ms. Henry-Wheeler responded that decisions sometimes appeared contrary to key goals and objectives. In addition, projects and priorities were sometimes in conflict, regarding importance. For spending decisions, a good example is substitutes. We have substitute shortages and resolve the issue by getting more substitutes, but we don't deal with the root cause problem, which could be absenteeism. Communication is making sure that everyone understands our goals, objectives, and mission; to make sure everyone is getting internal information before hearing it externally. This gets back to being consistent about what we say and what we do. We need to demonstrate what we say and model the desired behavior. Commissioner Elliott added that there needs to be accountability because a person may not always be around to demonstrate the behavior and culture. We need to have a job description and evaluation process to hold people accountable.

Leadership is not one person, not just the Superintendent or Board; it is everyone. It includes everyone charged with a vision. Looking for stability when you have recurring change becomes confusing to the remaining people when the leadership and the direction changes. The challenge at the District is that operating staff wonder how long new leadership will be here; hence the commitment is challenged or ignored. Therefore, stability and consistency is needed. Accountability was relevant for every topic presented. Commissioner Elliott stated that we still need to incorporate the systems because people have a job to do and cannot wait it out for personnel changes to happen. This is an arrogance and serious weakness. We have to build in process supporting change, so the work can go on. Commissioner Powell stated that professional pride should direct the work. If people know their job, it should not matter who is at the top. Instability between changes in the Board and Superintendent has occurred, but people talk about their duration in terms of those changes. If we can get at the culture and convince people at the top and next levels to obtain results because it is the right thing to do; professional pride drives them. Commissioner Sheppard stated that we could go further, if we were more concrete in our accountability measures; that might be a check list and if you don't pass, then you are gone.

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Commissioner Funchess stated, until we get to a place where we are all rowing together, we need concrete measures and rubrics that people will follow. These are the things you will be held accountable for and there is consistency within the positions. We must have clear accountability measures to survive. Chair Lebron stated that people don't have the same work ethic nor the same professional pride. Many of these folks are making six figures. We cannot dictate professional pride and work ethic. It comes from birth, upbringing, parents, culture and family. We are responsible for the accountability and work that gets done. People are outliving the Superintendents and Deputy Superintendents without accountability. This is an issue for the Board to take.

Commissioner Hallmark agreed with professional pride and accountability, and added it's important to mentor people. She did not support the perspective that you are out if you don't do your job. She stated the district does not have an endless supply of folks where we can toss people out. She desired an emphasis on more communication and mentoring to reach personal pride. Commissioner Funchess stated we can mentor people, but we will not give allowances to adults that we do not give to children. We suspend kids. We don't pass kids. Are we going to hold adults to the same standards we hold our children? Dr. Aquino stated "Pride is great, but you don't manage for pride, you manage for performance". In the military it's a culture of pride, but also a culture of performance and you have to manage for performance. In my interviews here, some people are really proud of the work being done. However, students are not learning. Commissioner Elliott stated, "Then in that case, they should not be proud".

Ms. Henry-Wheeler discussed concerns around leadership changes, starting, stopping and changing directions based on a lack of continuity in key leadership roles. She learned that there was considerable frustration regarding how many different directions we were moving into simultaneously. Commissioner Elliott empathized with the frustrated people because it means those people want to do the work. The people that say they will just wait until the next person comes along should be on the street. Commissioner Lebron stated that high level individuals performing in high level positions making \$100K or more, should show up ready and prepared to work. They should not require significant development for that type of salary. Commissioner Funchess stated we need to move away from the attitude that we've got to keep these people because we are no good. We have been given charge of their most valuable resource. We have got to decide that our kids are worth it. These are moral and ethical decisions that we must decide where we stand. Do we keep mediocre people because we believe our children are worth mediocre people? As a man thinks, so is he. Right now, our thoughts and beliefs are acting like we don't believe in our kids. In order to get the kids to where we want them, we've got to do it first. Chair Lebron stated in terms of stability, it's not just from the highest position, it is from multiple positions.

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Ms. Henry-Wheeler discussed that accountability must occur in everything we do to make sure the kids are getting what they need. The leadership needs to be accountable to be sure they are managing effectively. Instructional outcomes need to be known and we must be hitting the targets. We need to be accountable with our finances, but not just within the finance organization, it is how all resources are used. Having awareness that we have a finite budget. For professional development, we need to make sure we are spending our time and money around what the organization really needs. School Operations and Supervision must ensure development and support exists to increase the capacity of building leaders. Making sure the supervision, monitoring, and accountability across all the Chiefs is similar, so that building support levels are working as they should. We should ensure that building leaders truly know how to identify quality instruction and facilitate the improvements that need to happen. We must make sure there is a standard curriculum that includes a baseline minimum students receive. Commissioner Elliott clarified, it should be a high level or rigorous standard curriculum, not just standard. Commissioner Funchess added it should not depend on what school your child is at. Commissioner Elliott stated that school autonomy really challenges us. Ms. Henry-Wheeler stated the other place this is evident is related to suspensions. A student at a high performing school, if suspended may not receive the instruction needed at LyncX. We do not ensure continuity based on content or time of year.

Ms. Henry-Wheeler discussed student achievement. We have great data, but we don't have data that shows excellence. We have captured the information that allows us to make informed decisions and if we know how to use that data in an effective manner, we should be able to change the trajectory. We have wonderful systems that have been built. It should never be an excuse that we didn't know. Commissioner Elliott stated that we don't get an analysis of the data, so that we can speak to it. We just get raw data and nobody does any analysis of it. Commissioner Funchess asked if our people, Principals/Administrators know how to analyze data. If they are not data driven, it is either a lack of will or a lack of skill. I want to default to a lack of skill.

The Superintendent responded stating there is a data management system. There are clear protocols for data analysis, timelines, and expectations from the District office down to the building level. Each Chief can show you where Principals are in terms of that continuum and the quality of data in the organization. However, gaps in the consistency of practice exists. Last year Chiefs provided quarterly reports on the website for the community. We have school plans, receivership plans, a District comprehensive plan, and analysis shows there is a lack of consistency of curriculum strategy all the way through those plans. What we lack is a consistent expectation that is clearly applied systematically throughout the organization. The Superintendent also stated, she believes that we have resources, but we lack the flexibility to transfer staff on a rolling basis. We need the capacity to move the staff to where the need is. This is what we need to advocate for moving forward with our labor partners. Dr. Aquino agreed. The infrastructure is there for the Principals to use the data to drive the agenda.

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Dr. Aquino inquired of Superintendent Deane-Williams, on average, on a scale from 1 to 10 with 10 being the highest: Can you rate the Principals' capacity to use data to drive student outcomes, on average? The Superintendent responded that the average may not necessarily be helpful because Chiefs have an opportunity to observe them weekly in real time. Principals in receivership that have worked with a receivership Chief and SED, would be rated at a 7 or 8; whereas the others with more Chief turnover would be about a 3. Dr. Aquino stated that he thought the average provides a good picture. When you only have 8% of the District students being proficient; you are in trouble in ELA. If you rated the capacity of your Principals at 4, you know you need to do a lot of work as opposed to if you rated them at 8. That is what I was trying to get at. Commissioner Lebron added that the district must ensure the data communicated is accurate. President White stated he had observed various Principal's ability to relate and describe the basic performance objectives in the finish line report. Better Principals are more capable of articulating in advance and there are fewer errors in their finish line report. Commissioner Sheppard stated that she has seen some Principals ask for resources to help change the trajectory and we did not have resources to provide what they needed.

Commissioner Lebron stated that a second meeting would be necessary to finish this meeting and discuss the plan. Other audit concerns that came up were confirming orders, contractors, substitute management, human resources, payroll, union contractual relations, purchasing and the Wegmans card. A meeting notice will go to the Board in October for a follow up Audit Committee.

Ms. Henry-Wheeler stated the external auditors are on site performing their work. The City Financial Schedules will be due in October. Our next Audit Committee meeting to review the full CAFR with the External Auditor, which will be a committee inviting all Board Members, is usually first Tuesday in December.

Motion to adjourn by Commissioner Elliott at 6:38 PM seconded by Commissioner Sheppard.