



North East Independent School District

8961 Tesoro Drive, San Antonio, Texas 78217

NOTICE OF MEETING OF THE BOARD OF TRUSTEES

Notice is hereby given that a meeting of the Board of Trustees of the North East Independent School District will be held on January 11, 2021 at 5:30 PM, in the Boardroom on the first floor of the Richard A. Middleton Education Center, 8961 Tesoro Drive, San Antonio, Texas. Such meeting is a special meeting.

This meeting will be held in-person. In an effort to preserve public safety and in accordance with federal and local guidance, attendees at the meeting who are not from the same household will be required to maintain 6 feet of social distance between them and are required to wear face coverings when in the building. Should it be needed, the District will provide additional access to the meeting in another room in the building so that social distancing and safety measures can be maintained. We ask for everyone's understanding and cooperation in this regard.

The open session portion of the meeting is livestreamed, and members of the public may view the meeting by going to the North East Independent School District's YouTube channel. Click the link below, or type it into your browser.

<https://www.youtube.com/c/NEISDtv>

I. ESTABLISHMENT OF QUORUM AND CALL TO ORDER

II. EXECUTIVE SESSION

- A. Personnel, including but not limited to Administrative Appointments pursuant to Government Code Section 551.074
 - 1. Routine Personnel including but not limited to Administrative Appointments
 - a. Director of Risk Management and Safety
 - b. Assistant Principal of Madison High School
 - 2. Proposed Recommendation for Termination of MacArthur High School Principal

III. RECONVENE INTO OPEN SESSION

IV. WELCOME FROM THE BOARD PRESIDENT

V. INVOCATION AND PLEDGE OF ALLEGIANCE

VI. RECOGNITIONS

- A. UIL State Marching Band Champions-Johnson High School
Donna Newman, Associate Superintendent for Instruction and Campus Administration, Julie Shore, Executive Director, Fine Arts and Student Activities
- B. State Semi-Finals Girls Volleyball-Reagan High School
Donna Newman, Associate Superintendent for Instruction and Campus Administration, Brenda Shelton, Principal, Reagan High School

VII. MATTERS FROM THE FLOOR

VIII. MATTERS FROM EXECUTIVE SESSION

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- A. Interim Financial and Management Reports
- B. Awarded Bid Report

XIII. DISCUSSION AND POSSIBLE ACTION REGARDING BOARD MEMBERS' REQUEST(S) FOR ITEM(S) TO BE PLACED ON A FUTURE AGENDA AND/OR REQUEST(S) FOR REPORT(S) FROM THE ADMINISTRATION

XIV. ADJOURNMENT

If, during the course of the meeting, discussion of any item on the agenda should be held in an Executive or Closed Session, the Board will convene in such Executive or Closed Session in accordance with the Open Meetings Act, Texas Government Code, Section 551.071, 551.072, and 551.074.

CERTIFICATE AS TO POSTING OR GIVING OF NOTICE

On this on the 8th day of January, no later than 5:30 PM, this notice was posted on a bulletin board located at a place readily accessible and convenient to the public at the Richard A. Middleton Education Center, 8961 Tesoro Drive, San Antonio, Texas.

The North East Independent School District does not discriminate on the basis of race, color, religion, gender, national origin, age, or disability



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter: Donna Newman

Subject: Employment of Personnel
New Hires

Related Page(s): None

ACTION ITEM

BACKGROUND INFORMATION

Policy DC (LOCAL) states: "The Superintendent has sole authority to make recommendations to the Board regarding the selection of contractual personnel in the following categories: central office administrator from the director level and above and campus administrator, including principals and assistant principals." Final authority for employment of contractual personnel in these categories shall be retained by the Board.

ADMINISTRATIVE CONSIDERATION

Campus personnel are recommended for employment by campus principals in accordance with TEC § 11.202(b). All other personnel are recommended by appropriate supervisors. In both cases, the candidate deemed "best qualified" has been selected.

BUDGETARY CONSIDERATION

New hires associated with replacement of personnel have been budgeted prior to the hiring process. New hires associated with recently established positions are covered by a contingency fund established by the Board for this purpose. Should the cost of such positions exceed the funds so budgeted, then a separate budget amendment is brought before the Board prior to additional positions being filled.

ADMINISTRATIVE RECOMMENDATION

It is recommended that the Board of Trustees of the North East Independent School District approve the hiring of new personnel as presented.

BOARD ACTION REQUIRED

Approval/Disapproval



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter: Rudy Jimenez
Gina Elliott,
Senior Director for Human
Resources

Subject: Proposed Recommendation
For Termination of
MacArthur High School Principal

Related Page(s): None

ACTION ITEM

BACKGROUND INFORMATION

The MacArthur High School Principal is employed under a Chapter 21 term contract. Texas Education Code § 21.211(a) states "The board of trustees may terminate a term contract and discharge a teacher at any time for: (1) good cause as determined by the board."

ADMINISTRATIVE CONSIDERATION

Formal approval of the proposed recommendation for termination of this Chapter 21 term contract employee by the Board of Trustees is required.

BUDGETARY CONSIDERATION

Money is budgeted each year in the appropriate accounts for potential Chapter 21 hearings before Hearing Examiners.

ADMINISTRATIVE RECOMMENDATION

It is recommended that the Board of Trustees of the North East Independent School District approve the proposed termination of the identified employee's Chapter 21 term contract as discussed in executive session, and notify the employee of the proposed action to include the reasons for the action.

BOARD ACTION REQUIRED

Approval/Disapproval



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter: Audra Frigon
NECPTA President,
Debbie Weissmuller,
NECPTA 1st VP

Subject: State of the PTA Report

Related Page(s): None

PRESENTATION

BACKGROUND INFORMATION

The report will consist of information from the past year including:

- Council Purpose & Mission
- 2020 Major Council Events (Founders' Day Celebration, Candidate Forum, ISE Breakfast, Watch Party for TX PTA Advocacy Facebook Live event, Reflections Art Contest Award Ceremony, NEISD School Board Voter's Guide)
- 5 Association Meetings Each Year (Information Shared and Meeting Focus: Back the Future, Volunteer Appreciation, State of the District, Blossom Scholarship Presentations, and Local Unit Membership Awards)
- Training Provided (Multiple Texas PTA Leader Orientations, Numerous Officer & Chair Trainings, ConNEXTions Leadership)
- Mentoring & Support Provided (local PTAs grouped by cluster, [Monday Night Google Meets](#))
- Council Membership Numbers & Awards
- Upcoming Events (Feb. 4th Virtual Founders' Day, Advocacy: TX PTA Rally Day and [87th Legislative Session Priorities](#), May Used Book Sale, Reflections Art Contest Award Ceremony)
- Clothes Closet
- Please "Like" the NEISD Council of PTAs Facebook, Twitter, and Instagram Pages & visit necouncilpta.com

BOARD ACTION REQUIRED

None



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter: Ron Clary
Barry Lanford
Executive Director,
Facility Maintenance
& Operations

Subject: CPS Energy Demand Response

Related Page(s): None

PRESENTATION

BACKGROUND INFORMATION

CPS Energy's Demand Response Program is a voluntary program that pays incentives to commercial and industrial customers for curtailing electric load at peak times during the summer months.

In the summer of 2020, North East Independent School District participated in the Demand Response Program and curtailed an average of 714 kilowatts.

Mr. Robert Olivares, Key Account representative from CPS Energy presented a rebate check to North East Independent School District in the amount of \$49,989.80.

A brief video from CPS is included (53 seconds)

ADMINISTRATIVE CONSIDERATION

None

BUDGETARY CONSIDERATION

None

RECOMMENDATION

None

BOARD ACTION REQUIRED

None



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter: Sean Maika
Superintendent of Schools

Subject: Change March 2021 Board
Meeting Date Due to Conflict

Related Page(s): None

ACTION ITEM

BACKGROUND INFORMATION

Traditionally, the regular board meetings are scheduled on the second Monday of each month. This year, the second Monday in March falls on March 8 during Spring Break.

ADMINISTRATIVE RECOMMENDATION

It is recommended that the Board of Trustees of the North East Independent School District approve March 1, 2021 as the new date of the regular Board Meeting.

BOARD ACTION REQUIRED

Approval/Disapproval



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter: Rudy Jimenez
Christi Wilbur,
Executive Director,
Student Support Services

Subject: Board Policies FDA and FDB
(LOCAL)-Interdistrict and
Intradistrict Transfers, First
Reading

Related Page(s): FDA and FDB
(LOCAL) with
Proposed Revisions

ACTION ITEM

BACKGROUND INFORMATION

TEC Ch. 25.001 governs admissions requirements to campuses and authorizes the Board of Trustees to approve transfers between campuses in specific scenarios. This prospective updates to Board Policies FDA and FDB (LOCAL) pertain to the following:

1. Realigning both policies for consistency in the language.
2. Adding the language approved in FDA (LOCAL) regarding the Extenuating Circumstance by the Superintendent to FDB (LOCAL).
3. Revising the language for both Continued Enrollments and Employee-Child Transfers to be consistent in both policies. Adding Employee-Child Transfers language to FDA (LOCAL) since it currently is only in FDB (LOCAL).
4. Extending the opportunity for non-resident full-time or part-time employees to request any school within the District.
5. Extending the opportunity for a child of a full-time or part-time employee whose employment is either terminated, resigned from, or retired from to remain enrolled at his or her current campus under Continued Enrollment for the remainder of the school year.

BUDGETARY CONSIDERATION

None

ADMINISTRATIVE RECOMMENDATION

It is recommended that the Board approve first reading of FDA and FDB (LOCAL) – Interdistrict and Intradistrict Transfers as presented.

BOARD ACTION REQUIRED

Approval/Disapproval



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter: Sean Maika
Superintendent of Schools

Subject: School Board Recognition
Month

Related Page(s): Attachment

ACTION ITEM

BACKGROUND INFORMATION

Historically, the Board adopts resolutions to emphasize and publicize events of special importance to the District. January 2021 is School Board Recognition Month—a great time to focus on the crucial role our elected board of trustees plays in our communities and schools. They are extraordinary people who voluntarily tackle the enormous job of governing our school district. Their actions and decisions affect the present and future lives of our children.

Recognizing our board members for this commitment and sacrifice takes a combined effort on the part of all those they serve: administrators, school staff, students, and the community. Although showing appreciation should be a year-round process, taking advantage of the designated School Board Recognition Month in January assures that these important people receive some of the thanks they deserve.

BUDGETARY CONSIDERATION

None

ADMINISTRATIVE RECOMMENDATION

The Superintendent, Dr. Sean Maika, read and presented a Resolution recognizing the North East Independent School District Board of Trustees and respectfully recommends their approval of the resolution proclaiming January 2021 as *School Board Recognition Month*.

BOARD ACTION REQUIRED

Approval/Disapproval

RESOLUTION

NORTH EAST INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

January 11, 2021

WHEREAS, the mission of the public schools is to meet the diverse educational needs of all children and to empower them to become competent, productive contributors to a democratic society and an ever-changing world; and

WHEREAS, local school board members are committed to children and believe that all children can be successful learners and that the best education is tailored to the individual needs of the child; and

WHEREAS, local school board members work closely with parents, educational professionals, and other community members to create the educational vision we want for our students; and

WHEREAS, local school board members are responsible for ensuring the structure that provides a solid foundation for our school system; and

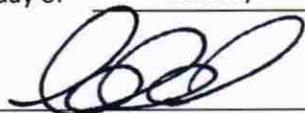
WHEREAS, local school board members are strong advocates for public education and are responsible for communicating the needs of the school district to the public and the public's expectations to the district;

NOW, THEREFORE, I, Sean Maika, do hereby declare my appreciation to the members of the North East Independent School Board and proclaim the month of January 2021, as

SCHOOL BOARD RECOGNITION MONTH

BE IT FURTHER RESOLVED that I urge all citizens to join me in recognizing the dedication and hard work of local school board members and in working with them to mold an education system that meets the needs of both today's and tomorrow's children.

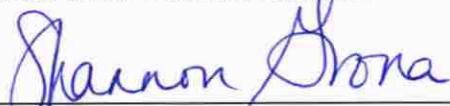
IN OFFICIAL RECOGNITION WHEREOF, I hereby affix my signature this 11TH
day of January, 2021.



Sean Maika, Ed.D., Superintendent of Schools

RESOLVED THIS 11TH DAY OF JANUARY, 2021

BOARD OF TRUSTEES OF THE ABOVE
INDEPENDENT SCHOOL DISTRICT



President, Board of Trustees

ATTEST:



11 Secretary, Board of Trustees



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter: Anthony Jarrett
Natalie Hierholzer,
Director, Guidance Services

Subject: National School Counseling
Week

Related Page(s): Resolution

ACTION ITEM

BACKGROUND INFORMATION

The week of February 1–5, 2021, has been designated by the American School Counselor Association as *NATIONAL SCHOOL COUNSELING WEEK*. This week highlights the tremendous impact that our school counselors have on our students. The counselors work diligently to support the social and emotional needs of each student, so they can accomplish their goals. We have prepared a short video to highlight the students and their counselors.

ADMINISTRATIVE CONSIDERATION

NEISD shall recognize February 1 – 5, 2021, as *NATIONAL SCHOOL COUNSELING WEEK*.

BOARD ACTION REQUIRED

Approval/Disapproval

Resolution

Recognition of North East Independent School District

NATIONAL SCHOOL COUNSELING WEEK

Whereas, School counselors are employed in public schools to help students reach their full potential; and

Whereas, School counselors are actively committed to helping students explore their abilities, strengths, interests, and talents as these traits relate to career awareness and development; and

Whereas, School counselors help parents/guardians focus on ways to further the educational, personal and social growth of their children; and

Whereas, School counselors work with teachers and other educators to help students explore their potential and set realistic goals for themselves; and

Whereas, School counselors seek to identify and utilize community resources that can enhance and complement comprehensive school counseling programs and help students become productive members of society; and

Whereas, Comprehensive developmental school counseling programs are considered an integral part of the educational process that enables all students to achieve success in school,

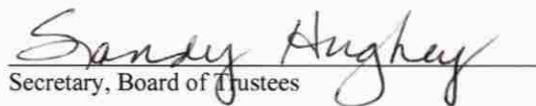
NOW, THEREFORE, BE IT RESOLVED that we, the Board of Trustees of the North East Independent School District, do hereby proclaim the week of February 1-5, 2021 as:

NATIONAL SCHOOL COUNSELING WEEK

BE IT FURTHER RESOLVED that all students and personnel are urged to support and commend these outstanding Counselors for their continued contributions to educational excellence in the North East Independent School District.



President, Board of Trustees



Secretary, Board of Trustees

January 11, 2021



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter: Anthony Jarrett
Ben Peterson, Senior
Director, Career and
Technical Education

Subject: Career & Technical
Education Month

Related Page(s): Attached

ACTION ITEM

BACKGROUND INFORMATION

Career and Technical Education prepares students for a wide range of careers, from automotive technicians to engineers, culinary chefs to nursing, veterinarians to electricians and many other fields. These careers may require varying levels of education – from high school to two and four-year college degrees and/or career specific certifications or licensures. Career and Technical Education students are prepared to be part of a well-educated workforce. Through cooperative efforts between the Career and Technical Program and business and industry, students seeking lifelong skills are being prepared for career fields to stimulate the growth and vitality of our local workforce and economy.

February 1 – 28, 2021, has been designated Career and Technical Education Month by the National Association for Career and Technical Education.

ADMINISTRATIVE RECOMMENDATION

Administrative staff recommends that the Board of Trustees approve the resolution recognizing the month of February 1–28, 2021 as Career and Technical Education Month.

BOARD ACTION REQUIRED

Approval/Disapproval

RESOLUTION

RECOGNITION OF NORTH EAST INDEPENDENT SCHOOL DISTRICT

“Career and Technical Education Month”

WHEREAS, February 1 – 28, 2021 has been designated Career and Technical Education Month by the National Association for Career and Technical Education; and

WHEREAS, Career and Technical Education serves over fourteen thousand North East ISD students in high school and middle school through fifteen career clusters and all eleven secondary magnet programs; and

WHEREAS, Career and Technical Education provides students with school-to-career connections helping to build a strong, well-educated workforce which fosters productivity in business and industry and contributes to America’s leadership in the international marketplace; and

WHEREAS, Career and Technical Education students experience practical, meaningful applications of skills such as reading, writing and mathematics, thus improving the quality of their education, motivating potential dropouts, and providing students leadership opportunities in their fields and communities; and

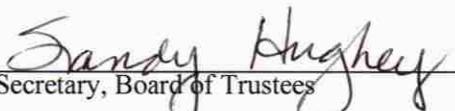
WHEREAS, Career and Technical Education offers students lifelong opportunities to learn new skills preparing them for post-secondary opportunities in high-skill, high-wage, and high-demand careers; and

WHEREAS, the ever-increasing cooperative efforts of Career and Technical educators and business and industry partners stimulating the growth and vitality of our local economy by preparing students for career fields forecasted to experience the fastest growth in the next decade; and

NOW, THEREFORE BE IT RESOLVED, we the members of the Board of Trustees of North East Independent School District, do hereby proclaim February 1 - 28, 2021 as Career and Technical Education Month.



President, Board of Trustees



Secretary, Board of Trustees

January 11, 2021



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter: Anthony Jarrett
Doak Stewart, Director,
Agriscience Magnet
Program

Subject: Rodeo Day

Related Page(s): Resolution

ACTION ITEM

BACKGROUND INFORMATION

The San Antonio Stock Show & Rodeo will be held February 11 – 28, 2021. The San Antonio Livestock Exposition (S.A.L.E.) educational commitment exceeds \$223 million with \$13 million committed in 2020 in the form of scholarships, grants, endowments, auctions, calf scramble, and show premiums paid to youth. To date, the S.A.L.E. has awarded \$957,000 in scholarships to graduating seniors of the James Madison FFA. S.A.L.E. has also donated equipment and provided co-curricular activities, including career development events, school tours and the world's largest Livestock show, to the students of North East Independent School District.

ADMINISTRATIVE RECOMMENDATION

Due to the strong partnership and goodwill between the North East Independent School District and the San Antonio Livestock Exposition, administrative staff recommends that the Board of Trustees approve the resolution proclaiming February 12, 2021 as "Rodeo Day" for North East ISD schools.

BOARD ACTION REQUIRED

Approval/Disapproval

RESOLUTION

RECOGNITION OF NORTH EAST INDEPENDENT SCHOOL DISTRICT "RODEO DAY"

WHEREAS, the over 6,000 volunteers of the San Antonio Livestock Exposition (S.A.L.E.) continue to provide a rich tradition and history of stewardship to the community, agriculture industry and youth of Texas, and,

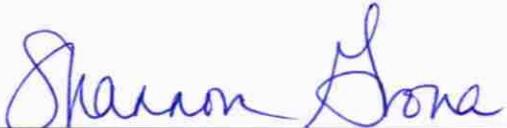
WHEREAS, the S.A.L.E. has grown to be one of the largest and most prestigious, single events in San Antonio providing nearly two million visitors with wholesome family entertainment and education that celebrates agricultural literacy and appreciation of the western lifestyle, and,

WHEREAS, since 1950, the S.A.L.E. educational commitment exceeds \$223 million with \$13 million committed in 2020 in the form of scholarships, grants, endowments, auctions, calf scramble program and show premiums paid to youth, and,

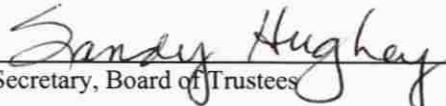
WHEREAS, to date, the S.A.L.E. has awarded \$957,000 in scholarships to graduating seniors of the James Madison FFA to study agriculture at the post-secondary level, and,

WHEREAS, the S.A.L.E. has donated equipment and provided co-curricular activities, including career development events, school tours, and the world's largest livestock show for the students of the North East Independent School District, and,

IT IS THEREFORE RESOLVED, we the members of the Board of Trustees of North East Independent School District, do hereby proclaim February 12th as: **"RODEO DAY"**



President, Board of Trustees



Secretary, Board of Trustees

January 11, 2021



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter:

Donna Newman
Chyla Whitton, Senior
Director, Human Resources

Subject: Extension of Certain FFCRA Paid
Leave during the COVID-19 Pandemic

Related Page(s):

Resolution

ACTION ITEM

BACKGROUND INFORMATION

On March 18, 2020, Congress passed the Families First Coronavirus Response Act (FFCRA) which included paid leave under the Emergency Paid Sick Leave Act (EPSL). EPSL provided up to 80 hours of paid leave for a full-time school district employee who was unable to work due to COVID-19 reasons, with a cap on the amount of pay the employee received. This FFCRA leave provision expired on December 31, 2020. Congress did not renew the FFCRA and, as of now, there is no indication it will do so.

ADMINISTRATIVE CONSIDERATION

During the ongoing COVID-19 pandemic, District employees may be instructed not to report for work as part of the District's safety plan to mitigate spread of the illness and to keep schools open for the benefit of students.

The District proposes a resolution to provide employees who are instructed not to report to work a period of paid leave if they are required to quarantine for the COVID-19 related reasons set forth in the FFCRA. Providing paid leave to qualified employees who have not previously used the benefit and who are instructed not to report to work due to the COVID-19 related reasons set forth in the FFCRA, serves the public purposes of protecting students and staff, maintaining morale, and reducing turnover.

BUDGETARY CONSIDERATION

There is no direct cost for the current year. The cost impact could be in future years when employees have unused leave entitling them to a pay out upon retirement based on local policy. However, by supporting employees who are required to remain out the District is attempting to mitigate the potential cost that could be incurred due to additional employee absences related to exposure. In this unique and unprecedented time, these associated costs can not be predicted.

ADMINISTRATIVE RECOMMENDATION

It is recommended that the Board of Trustees approve the resolution to extend paid leave during the COVID-19 Pandemic.

BOARD ACTION REQUIRED

Approval/Disapproval

RESOLUTION

**NORTH EAST INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES**

January 11, 2021

Extension of Paid Leave during COVID-19 Pandemic

WHEREAS, the Board is authorized by Texas Education Code section 45.105 to expend North East Independent School District funds for purposes necessary in the conduct of the public schools as determined by the Board;

WHEREAS, the Board acknowledges that during the ongoing COVID-19 pandemic, District employees may be instructed not to report for work as part of the District's safety plan to mitigate spread of the illness and to keep schools open for the benefit of students;

WHEREAS, the Family First Coronavirus Response Act (FFCRA), which provided certain leave benefits for employees directly affected by a specific COVID-19 related reason, expired on December 31, 2020;

WHEREAS, the Board finds that continued need exists to provide employees with certain leave benefits provided by the FFCRA when they are required to quarantine for the COVID-19 related reasons set forth in the FFCRA;

WHEREAS, the Board determines that, for the period between January 1, 2021 though March 31, 2021, employees who are instructed not to report to work should be provided the same period of leave previously provided under the FFCRA if they are required to quarantine for the COVID-19 related reasons set forth in the FFCRA and have not previously used the maximum allotment of leave under the FFCRA; and

WHEREAS, the Board concludes that providing paid leave to all qualified employees—contractual and noncontractual, salaried and non-salaried—who are instructed not to report to work due to the COVID-19 related reasons set forth in the FFCRA, serves the public purposes of protecting students and staff, maintaining morale, and reducing turnover;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of North East Independent School District authorizes providing a period of paid leave commensurate with the benefit provided under the FFCRA beginning January 1, 2021 for all qualified employees—contractual and noncontractual, salaried and non-salaried—who are instructed not to report to work for any COVID-19 related reason as set forth in the FFCRA,

and who have not previously used the maximum allotment of their FFCRA leave prior to January 1, 2021, excluding the provision related to lack of child care during school closures.

BE IT FURTHER RESOLVED that the authority granted by this resolution to provide additional paid leave under the conditions and for the reasons set forth above shall be administered by the Superintendent or designee and the District's Human Resources Department, and shall be for a maximum duration of ten days between January 1, 2021 and March 31, 2021, unless the Board takes action to authorize leave for a longer duration.

BE IT FURTHER RESOLVED that for the period of time between January 1, 2021 and March 31, 2021, where an employee's child is required to quarantine due to a COVID-19 related reason, and the employee does not have available child care, the Board will allow the employee to use more than three consecutive days of the employee's own discretionary personal leave.

To ensure compliance with the intent of this resolution, the Board authorizes the administration to require that employees seeking leave under this resolution provide documentation to support the need for such leave, where the administration feels such documentation may be needed.

PASSED, APPROVED, AND ADOPTED BY THE BOARD OF TRUSTEES OF THE NORTH EAST INDEPENDENT SCHOOL DISTRICT, this 11th day of January 2021.

CERTIFICATE FOR RESOLUTION

I hereby certify that the foregoing resolution was presented to the Board of Trustees of the North East Independent School District during a properly noticed and scheduled meeting held on January 11, 2021. A quorum of the Board of Trustees being then present, it was duly moved and seconded that the resolution be adopted, and such resolution was then adopted according to the following vote:

Ayes: 7
Nays: 0
Abstentions: 0

To certify which, witness my hand and the official seal of the District this 11th day of January 2021.

President, Board of Trustees

NORTH EAST INDEPENDENT SCHOOL
DISTRICT

By: Shannon Grona
Shannon Grona, President, Board of Trustees

ATTEST:

By: Sandy Hughey
Sandy Hughey, Secretary, Board of Trustees



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter:

Donna Newman
Chyla Whitton, Senior
Director, Human Resources

Subject: Appraisal Waiver
Student Growth Measure

Related Page(s):

ACTION ITEM

BACKGROUND INFORMATION

Pursuant to the Commissioner's general waiver authority under Texas Education Code (TEC), §7.056, the Texas Education Agency (TEA) will review and approve waivers for school districts that, due to circumstances arising from the COVID-19 pandemic, are unable to conduct accurate and relevant teacher appraisals based on requirements captured in TEC, §21.351, §21.352, the applicable rules in Title 19, Texas Administrative Code, Chapter 150, and/or are unable to capture accurate and relevant student growth data for the Texas Principal Evaluation and Support System (T-PESS) based on the requirements found in Title 19, Texas Administrative Code, Chapter 150.1022.

Per TEA guidance dated December 10, 2020, District appraisal policies and regulations that are local in nature, not required by Texas Education Code or Texas Administrative Code, and that are unable to be met due to COVID-19 related circumstances could be revisited by a District's Board of Trustees.

ADMINISTRATIVE CONSIDERATION

The District is requesting to submit a waiver for the student growth requirement for the teacher (T-TESS) and principal (T-PESS) appraisals. Prior to submitting a waiver request, the District must obtain Board of Trustees approval. If the waiver is approved, all other appraisal requirements will still be in place. The only aspect of the teacher and principal appraisals that would no longer be required would be rating the student growth measure.

The District commits to providing teachers with instructional support through observation of teaching and feedback to teachers on pedagogical refinements and support with analysis and adjustment to pedagogy based on student learning data, and the Districts commits to providing principals with support on analysis of student learning data and aligned adjustments to instructional leadership practices throughout the remainder of the 2020-2021 school year.

BUDGETARY CONSIDERATION

No budgetary impact.

ADMINISTRATIVE RECOMMENDATION

It is recommended that the Board of Trustees approve the waiver for the student growth rating requirement in the teacher appraisal and the student growth rating requirement in the principal appraisal.

BOARD ACTION REQUIRED

Approval/Disapproval



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter: Anthony Jarrett
Ben Peterson, Senior
Director, Career and
Technical Education;
Lori Murach, Director, DATA

Subject: Addition of Innovative Course

Related Page(s): none

ACTION ITEM

BACKGROUND INFORMATION

A school district may offer innovative courses to enable students to master knowledge, skills, and competencies not included in the essential knowledge and skills of the required curriculum. With the approval of the local board of trustees, a school district may offer, without modifications, any state-approved innovative course. (TAC §74.27)

Last year, TEA revised its CTE Programs of Study and created a unified list of coherent sequences of courses for a multitude of different programs. One of the programs of study that DATA, at Roosevelt High School, offers is Design & Multimedia Arts. The course listed below is a third year course that will be offered to students upon earning credit in Video Game Programming. Students in this course will be working to earn a certification as a Unity Certified Programmer.

ADMINISTRATIVE CONSIDERATION

NEISD requests Board approval for the following innovative course, for the 2021-22 school year, at the Design and Technology Academy at Roosevelt High School. This course has been approved by either the SBOE or the Commissioner of Education.

- Advanced Video Game Programming

ADMINISTRATIVE RECOMMENDATION

Administrative staff recommends that the Board of Trustees approve the innovative course as presented.

BOARD ACTION REQUIRED

Approval/Disapproval



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter: Anthony Jarrett
Ben Peterson, Senior
Director, Career and
Technical Education

Subject: Out of District Students
at Institute of CyberSecurity
and Innovation

Related Page(s): None

ACTION ITEM

BACKGROUND INFORMATION

The Institute of CyberSecurity & Innovation (iCSI) has been developed to support student career goals and cybersecurity job demands. According to cyberseek.org a demand of over 6000 cybersecurity positions is currently vacant in Bexar and Comal Counties. Our goal is to educate a diverse pool of students who are interested in cybersecurity and ready to fill these positions. In order to facilitate the increased demand for students who are prepared to enter the cybersecurity workforce, NEISD would like to share enrollment of this facility between in-district and out-of-district students. This would still allow NEISD students to have access to the 150 seats as originally allotted, but also allow for up to 20% more students to attend from outside the district (up to 30 students). Out of district students would enroll at MacArthur High School for all their course work outside of cybersecurity.

ADMINISTRATIVE RECOMMENDATION

Administrative staff recommends that the Board of Trustees approve accepting up to 20% of out-of-district students to iCSI/MacArthur each year (up to 30 students).

BOARD ACTION REQUIRED

Approval/Disapproval



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter: Dan Villarreal
Brian Moy, Executive Director
Finance & Accounting
Jeff Coats, Senior Director
Accounting & Payroll

Subject: Comprehensive Annual
Financial Report (CAFR) for
the Year Ended June 30, 2020

Related Page(s): Attachment

ACTION ITEM

BACKGROUND INFORMATION

The Texas Education Code (44.008) requires school districts to submit a copy of the Comprehensive Annual Financial Report (CAFR) with accompanying management letter to the Division of School Financial Audits of TEA within 150 days following the end of the school district's fiscal year, which ended June 30, 2020. Due to the COVID-19 pandemic, the audit of the financial statements was delayed and the Texas Education Agency waived the 150-day rule.

ADMINISTRATIVE CONSIDERATION

The firm ABIP, PC is engaged to audit the report and present it to the Board of Trustees for review. Under the law, the Board may either approve or disapprove the report. The decision of the Board must be certified within the CAFR and be forwarded to the Texas Education Agency. The President and Secretary of the Board must sign the Certificate of Board.

BUDGETARY CONSIDERATION

The audit fee is included in the annual budget.

ADMINISTRATIVE RECOMMENDATION

It is recommended that the Comprehensive Annual Financial Report for the year ended June 30, 2020, be accepted, signed, and filed as required under law.

BOARD ACTION REQUIRED

Approval/Disapproval



Internal Audit Plan

FY 2020-2021

Submitted by: *Anthony J. Muchald*
Director of Internal Audit

Approved by/Date: *[Signature]*
Superintendent

Approved by/Date: *Shannon Brown*
President, Board of Trustees



NORTH EAST

INDEPENDENT SCHOOL DISTRICT

Internal Audit Plan FY 2020-2021

1. **NEISD Universe of Auditable Entities.** Subject matter representing major auditable entities within the District, is identified in Attachment 1 Subjects that are in bold face type have been identified for coverage during FY 2020-2021.

2. **Risk-Based Planning Model.** This audit plan was compiled based on input from the Superintendent and Associate Superintendents. Their contributions—in conjunction with State mandates for audit coverage and requirements of the Statement on Auditing Standards No. 99, Consideration of Fraud in a Financial Statement Audit—formed the framework for identifying auditable entities, which were then weighted based on a Risk-Based Planning Model (Attachment 3).

This approach is necessary to direct limited audit resources toward the most critical, high-risk issues facing the District. Risk factors were applied for each viable auditable entity. The risk factors included requested or required reviews, fraud implications, cash handling, the strength of internal controls, previous audit coverage and considerations for changes in key personnel.

3. **Anti-Fraud Action Plan.** The Anti-Fraud Action Plan is an integral part of our auditing program and is included as Attachment 5. The plan was prepared to establish an agreed upon procedure for handling fraud, waste and abuse, and outlines NEISD's procedures for minimizing fraud, reporting suspected fraud, and actions to be taken when fraud is evident.

4. **Internal Audit Plan.** This Annual Audit Plan is a living plan that may be altered throughout the year to accommodate the needs of the Superintendent or the Board of Trustees. Below is a summary of planned audits for Fiscal Year 2020-2021. The rationale for the subjects identified for review—along with an explanation of what and how risk factors were applied—is contained in Attachment 4.

5. **Internal Audit Plan Time Budget.** Estimates of the time it will take to complete each project are included. Net of projected administrative absences and professional development, the Internal Audit Department will have approximately 5,400 audit hours available based on one director, three auditors, and one audit technician (half-time for audit work).

6. **Mandatory Audits.**

- **Superintendent's Employment Contract.** The Superintendent has requested an annual review of his employment contract to ensure that allowances for travel and vacation are properly accounted for and to ensure that the Superintendent is complying with contract terms [120 audit-hours].
- **Superintendent Expenses.** The Board of Trustees requires an audit of the Superintendent expenditures, annually. This audit, which will be combined with the review of the Superintendent's employment contract (see above), entails a review of all expenditures made by the Superintendent including those purchases using the P-Card [120 audit-hours].
- **External Audit (CAFR).** Annually, the District is required to have an external audit of financial activity leading to an expression of an opinion on the accuracy of the Consolidated Annual Financial Report. Internal Audit will provide assistance in the areas of inventory (equipment and warehouse) accountability, and bank/investment confirmations [300 audit-hours].
- **Purchasing Card Audit.** Annual district-wide audit review performed to determine if purchase card purchases are in compliance with P-card guidelines [300 audit-hours].
- **Conflict of Interest Review.** This is an annual review of relationships held by NEISD employees with outside business entities or individuals that might create biased decision making resulting in fraud, collusion, or favoritism. The review is accomplished by completing an online survey sent to certified employees with budget influence. Questionable relationships or associations identified in the survey are reviewed by the Director of Internal Audit [300 audit-hours].
- **CRMS and Fixed Assets Inventory.** Conduct annual CRMS and Fixed Assets inventory [420 audit-hours].

7. **Campus and Student Activity Funds.** Campus and Student Activity Funds can generate several million dollars in activity throughout a normal school year. Campus bookkeepers are critical to the safekeeping of these funds. Regular, scheduled audits of these funds are essential to maintaining oversight over campus business to ensure that fraudulent activity has not taken place. The audit approach to these audits remains flexible. An advisory report is issued to each campus principal summarizing disparities, if any [720 audit-hours].

8. **Special Projects.** Special projects occur spontaneously throughout the year generally at the request of the Superintendent or the Board of Trustees; however, occasionally executive directors have requested assistance also. These projects may be short term, quick turnaround audits, analyses, or research endeavors or the projects may be full-scale audits of a process or department within the district. Normally, these assignments are

intended to provide independent assessments of ongoing issues of key concern to the Superintendent or the Board of Trustees [600 audit-hours].

9. **Performance and Compliance Audits.**

- **Procurement and E-Commerce Audit.** Performance audit to determine if the procurement department complies with state, local, and district rules and regulations regarding proper vendor approval and purchasing transactions [500 audit-hours].
- **Adult Education Department.** Performance audit to determine if the adult education department complies with state, local, and district rules and regulations regarding the efficient and effective operation of the department [600 audit-hours].
- **Athletics Department.** Performance audit to determine if the Athletics Department complies with state, local, and district rules and regulations regarding the efficient and effective operation of the department [600 audit-hours].

10. **Continual Surveillance of Fraudulent Indicators.** In compliance with the Statement on Auditing Standards (SAS) 99: *Consideration of Fraud in a Financial Statement Audit*, Internal Audit will perform selected audit tests throughout the year. Internal Audit will selectively test areas, locations, and accounts that otherwise might not be tested. In addition, the Internal Audit Department will continue to manage the hotline complaints received through the District's fraud hotline [820 audit-hours].

11. **Attachments.**

- 1 - Universe of Auditable Entities
- 2 - Risk Rank Priority of Auditable Entities
- 3 - Risk Based Planning Model
- 4 - Risk Based Planning Model Methodology
- 5 - District Anti-Fraud Action Plan

Org #	Org Name	Category
1	LEE HS	High School
2	MacArthur HS	High School
3	Churchill HS	High School
4	Roosevelt HS	High School
5	Madison HS	High School
6	Center HS	High School
7	Reagan HS	High School
8	ACE HS	High School
9	ISA HS	High School
12	Alternative HS	High School
14	Johnson HS	High School
41	Eisenhower MS	Middle School
42	Garner MS	Middle School
43	Krueger MS	Middle School
44	Nimitz MS	Middle School
45	Jackson MS	Middle School
46	White MS	Middle School
47	Wood MS	Middle School
48	Bradley MS	Middle School
49	Driscoll MS	Middle School
50	Bush MS	Middle School
53	Alternative MS	Middle School
53	Alternative MS	Middle School
56	Tejeda MS	Middle School
56	Tejeda MS	Middle School
57	Lopez MS	Middle School
57	Lopez MS	Middle School
58	Harris MS	Middle School
58	Harris MS	Middle School
59	Hill MS	Middle School
59	Hill MS	Middle School
101	Castle Hills ES	Elementary School
102	Coker ES	Elementary School
103	Colonial Hills ES	Elementary School
104	Dellview ES	Elementary School
105	East Terrell Hills ES	Elementary School
106	Harmony Hills ES	Elementary School
107	Jackson-Keller ES	Elementary School
108	Larkspur ES	Elementary School
109	Northwood ES	Elementary School
110	Oak Grove ES	Elementary School
111	Olmos ES	Elementary School
112	Ridgeview ES	Elementary School
113	Serna ES	Elementary School
114	Walzem ES	Elementary School
115	West Avenue ES	Elementary School

Org #	Org Name	Category
116	Wilshire ES	Elementary School
117	Windcrest ES	Elementary School
118	Camelot ES	Elementary School
119	Clear Spring ES	Elementary School
120	Regency Place ES	Elementary School
121	El Dorado ES	Elementary School
122	Montgomery ES	Elementary School
123	Hidden Forest ES	Elementary School
124	Woodstone ES	Elementary School
125	Stahl ES	Elementary School
126	Thousand Oaks ES	Elementary School
127	Northern Hills ES	Elementary School
128	Redland Oaks ES	Elementary School
129	Encino Park ES	Elementary School
130	Fox Run ES	Elementary School
131	Oak Meadow ES	Elementary School
132	ESRC/CIC ES	Elementary School
133	Stone Oak ES	Elementary School
134	Longs Creek ES	Elementary School
135	Huebner ES	Elementary School
136	Hardy Oak ES	Elementary School
137	Wetmore ES	Elementary School
138	Royal Ridge ES	Elementary School
139	Roan Forest ES	Elementary School
140	Canyon Ridge ES	Elementary School
141	Stuebing Ranch ES	Elementary School
142	Bulverde Creek ES	Elementary School
143	Wilderness Oaks ES	Elementary School
144	Tuscany Heights ES	Elementary School
145	Cibolo Green ES	Elementary School
146	Las Lomas ES	Elementary School
147	Vineyard Ranch ES	Elementary School
303	STEM	Middle School
303	STEM	Middle School
306	DATA	Middle School
306	DATA	Middle School
400	NESA HS	High School
401	Agri Science HS	High School
402	Electrical Systems Tech HS	High School
403	STEM HS	High School
405	ATA HS	High School
406	Data HS	High School
408	ETA HS	High School
701	Superintendent's Contract and Expenses	Superintendent's Office
701	Special Projects	Superintendent's Office
702	Board Expenses	Board of Trustees

Org #	Org Name	Category
710	Textbooks	CFO/Business Services
740	Cash Management and Investments	CFO/Business Services
741	Travel Reimbursement	CFO/Business Services
741	Payroll	CFO/Business Services
742	Purchasing Cards	CFO/Business Services
742	Controlled Resource Management Sys	CFO/Business Services
742	Warehousing	CFO/Business Services
742	Procurement	CFO/Business Services
742	Records Management	CFO/Business Services
743	Risk Management	CFO/Business Services
744	Grants Administration	CFO/Business Services
745	Human Resources	Instruction/Campus Admin
746	School Administration	Instruction/Campus Admin
747	Fixed Assets Management	CFO/Business Services
747	Budgeting Program Management	CFO/Business Services
749	Communications	Communications Services
801	Athletics	Instruction/Campus Admin
802	Student Support Services	Instruction/Campus Admin
804	Curriculum Compliance	Instruction/Campus Admin
805	Student Leadership and Well Being	Instruction/Campus Admin
808	Library Services	CFO/Business Services
809	Curriculum and Instruction	Instruction/Campus Admin
811	Fine Arts	Instruction/Campus Admin
825	JROTC	Instruction/Campus Admin
826	Career and Technology	Instruction/Campus Admin
828	Special Education	Instruction/Campus Admin
831	Adult and Community Education	Operations
843	Partners in Education/Volunteer Program	Communications Services
901	Construction Management	Operations
902	Facility Maintenance and Support	Operations
903	Transportation	Operations
904	School Nutritional Services	Operations
905	Police Department	Operations
910	Media Production	Communications Services
911	Technology Support	CFO/Business Services
912	Print Services	CFO/Business Services
913	Management Information Systems	CFO/Business Services
914	Network Services	CFO/Business Services
917	Telephone Services	CFO/Business Services
927	Employee Benefits	CFO/Business Services
930	Custodial Services	Operations

Org #	Org Name	Category	Total (out of 100)	Rank
701	Superintendent's Contract and Expenses	Superintendent's Office	100	1
701	Special Projects	Superintendent's Office	100	1
741	Travel Reimbursement	CFO/Business Services	100	1
742	Purchasing Cards	CFO/Business Services	100	1
742	Controlled Resource Management Sys	CFO/Business Services	100	1
742	Warehousing	CFO/Business Services	100	1
747	Fixed Assets Management	CFO/Business Services	100	1
831	Adult and Community Education	Operations	95	8
5	Madison HS	High School	91	9
1	LEE HS	High School	90	10
57	Lopez MS	Middle School	80	11
49	Driscoll MS	Middle School	73	12
117	Windcrest ES	Elementary School	70	13
124	Woodstone ES	Elementary School	70	13
135	Huebner ES	Elementary School	70	13
145	Cibolo Green ES	Elementary School	70	13
408	ETA HS	High School	70	13
742	Procurement	CFO/Business Services	70	13
801	Athletics	Instruction/Campus Admin	70	13
904	School Nutritional Services	Operations	65	20
912	Print Services	CFO/Business Services	63	21
4	Roosevelt HS	High School	60	22
7	Reagan HS	High School	60	22
147	Vineyard Ranch ES	Elementary School	60	22
745	Human Resources	Instruction/Campus Admin	60	22
2	MacArthur HS	High School	58	26
9	ISA HS	High School	58	26
401	Agri Science HS	High School	55	28
403	STEM HS	High School	55	28
808	Library Services	CFO/Business Services	55	28
811	Fine Arts	Instruction/Campus Admin	55	28
826	Career and Technology	Instruction/Campus Admin	55	28
843	Partners in Education/Volunteer Program	Communications Services	55	28
400	NESA HS	High School	54	34
3	Churchill HS	High School	50	35
14	Johnson HS	High School	50	35
402	Electrical Systems Tech HS	High School	50	35
406	Data HS	High School	50	35
746	School Administration	Instruction/Campus Admin	50	35
828	Special Education	Instruction/Campus Admin	50	35
901	Construction Management	Operations	50	35
905	Police Department	Operations	50	35
913	Management Information Systems	CFO/Business Services	50	35
914	Network Services	CFO/Business Services	50	35
41	Eisenhower MS	Middle School	45	45
42	Garner MS	Middle School	45	45
43	Krueger MS	Middle School	45	45

Org #	Org Name	Category	Total (out of 100)	Rank
45	Jackson MS	Middle School	45	45
58	Harris MS	Middle School	45	45
303	STEM	Middle School	45	45
306	DATA	Middle School	45	45
405	ATA HS	High School	45	45
702	Board Expenses	Board of Trustees	45	45
710	Textbooks	CFO/Business Services	45	45
741	Payroll	CFO/Business Services	45	45
902	Facility Maintenance and Support	Operations	45	45
903	Transportation	Operations	45	45
930	Custodial Services	Operations	45	45
46	White MS	Middle School	43	59
47	Wood MS	Middle School	43	59
59	Hill MS	Middle School	43	59
6	Center HS	High School	40	62
8	ACE HS	High School	40	62
53	Alternative MS	Middle School	40	62
740	Cash Management and Investments	CFO/Business Services	40	62
744	Grants Administration	CFO/Business Services	40	62
802	Student Support Services	Instruction/Campus Admin	40	62
44	Nimitz MS	Middle School	35	68
48	Bradley MS	Middle School	35	68
50	Bush MS	Middle School	35	68
56	Tejeda MS	Middle School	35	68
101	Castle Hills ES	Elementary School	35	68
103	Colonial Hills ES	Elementary School	35	68
104	Dellview ES	Elementary School	35	68
105	East Terrell Hills ES	Elementary School	35	68
106	Harmony Hills ES	Elementary School	35	68
107	Jackson-Keller ES	Elementary School	35	68
109	Northwood ES	Elementary School	35	68
111	Olmos ES	Elementary School	35	68
112	Ridgeview ES	Elementary School	35	68
113	Serna ES	Elementary School	35	68
115	West Avenue ES	Elementary School	35	68
116	Wilshire ES	Elementary School	35	68
118	Camelot ES	Elementary School	35	68
119	Clear Spring ES	Elementary School	35	68
121	El Dorado ES	Elementary School	35	68
122	Montgomery ES	Elementary School	35	68
123	Hidden Forest ES	Elementary School	35	68
125	Stahl ES	Elementary School	35	68
126	Thousand Oaks ES	Elementary School	35	68
128	Redland Oaks ES	Elementary School	35	68
129	Encino Park ES	Elementary School	35	68
130	Fox Run ES	Elementary School	35	68
131	Oak Meadow ES	Elementary School	35	68

Org #	Org Name	Category	Total (out of 100)	Rank
132	ESRC/CIC ES	Elementary School	35	68
134	Longs Creek ES	Elementary School	35	68
136	Hardy Oak ES	Elementary School	35	68
138	Royal Ridge ES	Elementary School	35	68
139	Roan Forest ES	Elementary School	35	68
140	Canyon Ridge ES	Elementary School	35	68
141	Stuebing Ranch ES	Elementary School	35	68
142	Bulverde Creek ES	Elementary School	35	68
143	Wilderness Oaks ES	Elementary School	35	68
144	Tuscany Heights ES	Elementary School	35	68
146	Las Lomas ES	Elementary School	35	68
743	Risk Management	CFO/Business Services	35	68
804	Curriculum Compliance	Instruction/Campus Admin	35	68
805	Student Leadership and Well Being	Instruction/Campus Admin	35	68
825	JROTC	Instruction/Campus Admin	35	68
102	Coker ES	Elementary School	33	110
108	Larkspur ES	Elementary School	31	109
120	Regency Place ES	Elementary School	31	109
137	Wetmore ES	Elementary School	31	109
12	Alternative HS	High School	30	114
809	Curriculum and Instruction	Instruction/Campus Admin	30	114
127	Northern Hills ES	Elementary School	27	116
110	Oak Grove ES	Elementary School	25	117
114	Walzem ES	Elementary School	25	117
133	Stone Oak ES	Elementary School	25	117
742	Records Management	CFO/Business Services	25	117
911	Technology Support	CFO/Business Services	25	117
917	Telephone Services	CFO/Business Services	25	117
927	Employee Benefits	CFO/Business Services	25	117
747	Budgeting Program Management	CFO/Business Services	20	125
749	Communications	Communications Services	20	125
910	Media Production	Communications Services	20	125

Org #	Org Name	Category	Audit Request or Required 0-25	Fraud, Waste, or Abuse 0-25	Handling of Cash 0-20	Internal Controls 0-10	Prior Audit Coverage 0-10	Change in Personnel 0-10	Total (out of 100)	Rank
701	Superintendent's Contract and Expenses	Superintendent's Office	25	25	20	10	10	10	100	1
701	Special Projects	Superintendent's Office	25	25	20	10	10	10	100	1
741	Travel Reimbursement	CFO/Business Services	25	25	20	10	10	10	100	1
742	Purchasing Cards	CFO/Business Services	25	25	20	10	10	10	100	1
742	Controlled Resource Management Sys	CFO/Business Services	25	25	20	10	10	10	100	1
742	Warehousing	CFO/Business Services	25	25	20	10	10	10	100	1
747	Fixed Assets Management	CFO/Business Services	25	25	20	10	10	10	100	1
831	Adult and Community Education	Operations	25	25	20	10	5	10	95	8
5	Madison HS	High School	25	20	20	10	6	10	91	9
1	LEE HS	High School	25	25	20	10	10	0	90	10
57	Lopez MS	Middle School	25	10	15	10	10	10	80	11
49	Driscoll MS	Middle School	25	10	15	10	8	5	73	12
117	Windcrest ES	Elementary School	25	10	10	5	10	10	70	13
124	Woodstone ES	Elementary School	25	10	10	5	10	10	70	13
135	Huebner ES	Elementary School	25	10	10	5	10	10	70	13
145	Cibolo Green ES	Elementary School	25	10	10	5	10	10	70	13
408	ETA HS	High School	0	25	20	10	10	5	70	13
742	Procurement	CFO/Business Services	0	25	20	10	10	5	70	13
801	Athletics	Instruction/Campus Admin	0	20	20	10	10	10	70	13
904	School Nutritional Services	Operations	0	25	20	10	10	0	65	20
912	Print Services	CFO/Business Services	0	25	20	10	8	0	63	21
4	Roosevelt HS	High School	0	20	20	10	10	0	60	22
7	Reagan HS	High School	0	20	20	10	10	0	60	22
147	Vineyard Ranch ES	Elementary School	25	10	10	5	10	0	60	22
745	Human Resources	Instruction/Campus Admin	0	25	5	10	10	10	60	22
2	MacArthur HS	High School	0	20	20	10	8	0	58	26
9	ISA HS	High School	0	20	20	10	8	0	58	26
401	Agri Science HS	High School	0	15	20	10	10	0	55	28
403	STEM HS	High School	0	15	20	10	10	0	55	28
808	Library Services	CFO/Business Services	0	20	20	5	10	0	55	28
811	Fine Arts	Instruction/Campus Admin	0	25	20	10	0	0	55	28
826	Career and Technology	Instruction/Campus Admin	0	25	10	10	10	0	55	28
843	Partners in Education/Volunteer Program	Communications Services	0	20	15	10	10	0	55	28
400	NESA HS	High School	0	20	20	10	4	0	54	34
3	Churchill HS	High School	0	20	20	10	0	0	50	35
14	Johnson HS	High School	0	20	20	10	0	0	50	35
402	Electrical Systems Tech HS	High School	0	15	15	10	10	0	50	35
406	Data HS	High School	0	10	20	10	10	0	50	35
746	School Administration	Instruction/Campus Admin	0	15	5	10	10	10	50	35
828	Special Education	Instruction/Campus Admin	0	20	5	10	5	10	50	35
901	Construction Management	Operations	0	25	5	10	10	0	50	35
905	Police Department	Operations	0	15	15	10	10	0	50	35
913	Management Information Systems	CFO/Business Services	0	25	5	10	10	0	50	35

Org #	Org Name	Category	Audit Request or Required 0-25	Fraud, Waste, or Abuse 0-25	Handling of Cash 0-20	Internal Controls 0-10	Prior Audit Coverage 0-10	Change in Personnel 0-10	Total (out of 100)	Rank
914	Network Services	CFO/Business Services	0	25	5	10	10	0	50	35
41	Eisenhower MS	Middle School	0	10	15	10	10	0	45	45
42	Garner MS	Middle School	0	10	15	10	10	0	45	45
43	Krueger MS	Middle School	0	10	15	10	10	0	45	45
45	Jackson MS	Middle School	0	10	15	10	10	0	45	45
58	Harris MS	Middle School	0	10	15	10	10	0	45	45
303	STEM	Middle School	0	10	15	10	10	0	45	45
306	DATA	Middle School	0	10	15	10	10	0	45	45
405	ATA HS	High School	0	15	10	10	10	0	45	45
702	Board Expenses	Board of Trustees	0	25	0	10	10	0	45	45
710	Textbooks	CFO/Business Services	0	10	20	5	10	0	45	45
741	Payroll	CFO/Business Services	0	25	5	10	5	0	45	45
902	Facility Maintenance and Support	Operations	0	20	5	10	10	0	45	45
903	Transportation	Operations	0	15	10	10	10	0	45	45
930	Custodial Services	Operations	0	20	5	10	10	0	45	45
46	White MS	Middle School	0	10	15	10	8	0	43	59
47	Wood MS	Middle School	0	10	15	10	8	0	43	59
59	Hill MS	Middle School	0	10	15	10	8	0	43	59
6	Center HS	High School	0	10	10	10	10	0	40	62
8	ACE HS	High School	0	10	10	10	10	0	40	62
53	Alternative MS	Middle School	0	10	10	10	10	0	40	62
740	Cash Management and Investments	CFO/Business Services	0	20	10	5	5	0	40	62
744	Grants Administration	CFO/Business Services	0	20	5	5	10	0	40	62
802	Student Support Services	Instruction/Campus Admin	0	15	10	5	10	0	40	62
44	Nimitz MS	Middle School	0	10	15	10	0	0	35	68
48	Bradley MS	Middle School	0	10	15	10	0	0	35	68
50	Bush MS	Middle School	0	10	15	10	0	0	35	68
56	Tejeda MS	Middle School	0	10	15	10	0	0	35	68
101	Castle Hills ES	Elementary School	0	10	10	5	10	0	35	68
103	Colonial Hills ES	Elementary School	0	10	10	5	10	0	35	68
104	Dellview ES	Elementary School	0	10	10	5	10	0	35	68
105	East Terrell Hills ES	Elementary School	0	10	10	5	10	0	35	68
106	Harmony Hills ES	Elementary School	0	10	10	5	10	0	35	68
107	Jackson-Keller ES	Elementary School	0	10	10	5	10	0	35	68
109	Northwood ES	Elementary School	0	10	10	5	10	0	35	68
111	Olmos ES	Elementary School	0	10	10	5	10	0	35	68
112	Ridgeview ES	Elementary School	0	10	10	5	10	0	35	68
113	Serna ES	Elementary School	0	10	10	5	10	0	35	68
115	West Avenue ES	Elementary School	0	10	10	5	10	0	35	68
116	Wilshire ES	Elementary School	0	10	10	5	10	0	35	68
118	Camelot ES	Elementary School	0	10	10	5	10	0	35	68
119	Clear Spring ES	Elementary School	0	10	10	5	10	0	35	68
121	El Dorado ES	Elementary School	0	10	10	5	10	0	35	68

Org #	Org Name	Category	Audit Request or Required 0-25	Fraud, Waste, or Abuse 0-25	Handling of Cash 0-20	Internal Controls 0-10	Prior Audit Coverage 0-10	Change in Personnel 0-10	Total (out of 100)	Rank
122	Montgomery ES	Elementary School	0	10	10	5	10	0	35	68
123	Hidden Forest ES	Elementary School	0	10	10	5	10	0	35	68
125	Stahl ES	Elementary School	0	10	10	5	10	0	35	68
126	Thousand Oaks ES	Elementary School	0	10	10	5	10	0	35	68
128	Redland Oaks ES	Elementary School	0	10	10	5	10	0	35	68
129	Encino Park ES	Elementary School	0	10	10	5	10	0	35	68
130	Fox Run ES	Elementary School	0	10	10	5	10	0	35	68
131	Oak Meadow ES	Elementary School	0	10	10	5	10	0	35	68
132	ESRC/CIC ES	Elementary School	0	10	10	5	10	0	35	68
134	Longs Creek ES	Elementary School	0	10	10	5	10	0	35	68
136	Hardy Oak ES	Elementary School	0	10	10	5	10	0	35	68
138	Royal Ridge ES	Elementary School	0	10	10	5	10	0	35	68
139	Roan Forest ES	Elementary School	0	10	10	5	10	0	35	68
140	Canyon Ridge ES	Elementary School	0	10	10	5	10	0	35	68
141	Stuebing Ranch ES	Elementary School	0	10	10	5	10	0	35	68
142	Bulverde Creek ES	Elementary School	0	10	10	5	10	0	35	68
143	Wilderness Oaks ES	Elementary School	0	10	10	5	10	0	35	68
144	Tuscany Heights ES	Elementary School	0	10	10	5	10	0	35	68
146	Las Lomas ES	Elementary School	0	10	10	5	10	0	35	68
743	Risk Management	CFO/Business Services	0	10	5	5	5	10	35	68
804	Curriculum Compliance	Instruction/Campus Admin	0	10	0	5	10	10	35	68
805	Student Leadership and Well Being	Instruction/Campus Admin	0	10	5	10	10	0	35	68
825	JROTC	Instruction/Campus Admin	0	10	10	5	10	0	35	68
102	Coker ES	Elementary School	0	10	10	5	8	0	33	110
108	Larkspur ES	Elementary School	0	10	10	5	6	0	31	109
120	Regency Place ES	Elementary School	0	10	10	5	6	0	31	109
137	Wetmore ES	Elementary School	0	10	10	5	6	0	31	109
12	Alternative HS	High School	0	10	10	10	0	0	30	114
809	Curriculum and Instruction	Instruction/Campus Admin	0	5	5	10	10	0	30	114
127	Northern Hills ES	Elementary School	0	10	10	5	2	0	27	116
110	Oak Grove ES	Elementary School	0	10	10	5	0	0	25	117
114	Walzem ES	Elementary School	0	10	10	5	0	0	25	117
133	Stone Oak ES	Elementary School	0	10	10	5	0	0	25	117
742	Records Management	CFO/Business Services	0	10	0	5	10	0	25	117
911	Technology Support	CFO/Business Services	0	10	0	5	10	0	25	117
917	Telephone Services	CFO/Business Services	0	10	0	5	10	0	25	117
927	Employee Benefits	CFO/Business Services	0	20	0	5	0	0	25	117
747	Budgeting Program Management	CFO/Business Services	0	5	0	5	10	0	20	125
749	Communications	Communications Services	0	5	0	5	10	0	20	125
910	Media Production	Communications Services	0	5	0	5	10	0	20	125



NORTH EAST

INDEPENDENT SCHOOL DISTRICT

Overall

The NEISD Internal Audit Department Risk Based Planning Model is based on six (6) Risk Factors that total up to 100 points. Each risk factor has a different point value. The riskier a factor, the higher the score. Internal Audit uses these risk factors in the risk-based planning model. These Risk Factors and their maximum point values are:

- Audit Requested or Required 25 points
- Likelihood of Fraud, Waste, and Abuse 25 points
- Prevalence of Cash (Cash Handling) 20 points
- Strength of Internal Controls 10 points
- Previous Audit Coverage 10 points
- Change in Key Personnel 10 points
100 points

Each auditable entity is given a risk score based on each of the risk factor scores. The scores are added up and then the auditable entities are ranked based on their risk scores.

Risk Factors

Audit Request or Required

If an audit is required or if a superintendent requests it for an auditable entity, it will receive the value of 25 points. If the audit is not required or requested for an auditable entity, it will receive a value of zero.

Likelihood of Fraud, Waste, or Abuse

If an auditable entity is a very susceptible to fraud, then it will receive a score of 25. If the auditable entity is somewhat susceptible to fraud, then it will receive a score of 10-20 points. If the auditable entity's susceptibility to fraud is low, then it will receive a score of 0-5 points.

Handling of Cash

If an auditable entity handles a great deal of cash, then it will receive a score of 20 points. If the auditable entity handles a moderate amount of cash, it will receive a score of 10-15 points. If an auditable entity handles little to no cash, it will receive a score of 0-5 points.

Internal Controls

If an auditable entity has no or weak internal controls, it will receive a score of 10 points. If an auditable entity has moderately strong internal controls, it will receive a score of 5 points. If an auditable entity has strong internal controls, then it will receive a score of zero points.

Prior Audit Coverage

If an auditable entity had an audit in the current year, it will receive a score of 0 points. If an auditable entity had an audit one year ago, it will receive a score of 2 points. If an auditable entity had an audit two years ago, it will receive a score of 4 points. If an auditable entity had an audit three years ago, it will receive a score of 6 points. If an auditable entity had an audit 4 years ago, it will receive a score of 8 points. If an auditable entity had an audit five years or more ago, it will receive a score of 10 points.

Change in Key Personnel

For this factor, key personnel is considered director or above for a department and principal for a campus. If an auditable entity had more than one key personnel leave, then they will receive a score of 10 points. If an auditable entity only has one key personnel leave, then they will receive a score of 5 points. If an auditable entity has no change in key personnel, then they will receive a score of zero points.



NORTH EAST

INDEPENDENT SCHOOL DISTRICT

Anti-Fraud Action Plan

Introduction

1. Fraud Prevention and Detection

1.1 The most effective way for school districts to combat fraud begins with strong anti-fraud systems and controls to both prevent as well as detect fraud. Management is responsible for implementing procedures for the prevention and detection of fraud and creating an environment that ensures honest and ethical behavior. Issuance of Statement on Auditing Standard (SAS) 99, Consideration of Fraud in a Financial Statement Audit, changed the approach auditors take toward the detection of a material misstatement of financial information due to fraud. As a result, the systems and controls that North East Independent School District has in place become a focal point for audits. The school district needs to demonstrate an understanding of fraud risk factors affecting their organization, as well as mitigating controls to address those risks.

1.2 Fraud can range from minor employee theft and unproductive behavior to misappropriation of assets and fraudulent financial reporting. Material financial statement fraud can have a significant adverse effect on an entity's market value, reputation, and ability to achieve its strategic objectives. A number of highly publicized cases have heightened the awareness of the effects of fraudulent financial reporting and have led many organizations to be more proactive in taking steps to prevent or deter its occurrence. Misappropriation of assets, though often not material to the financial statements, can nonetheless result in substantial losses to an entity if a dishonest employee has the incentive and opportunity to commit fraud.

1.3 The risk of fraud can be reduced through a combination of prevention, deterrence, and detection measures. However, fraud can be difficult to detect because it often involves concealment through falsification of documents or collusion among management, employees, or third parties. Therefore, it is important to place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals that they should not commit fraud because of the likelihood of detection and punishment. Moreover, prevention and deterrence measures are much less costly than the time and expense required for fraud detection and investigation.

1.4 NEISD’s management has both the responsibility and the means to implement measures to reduce the incidence of fraud. The measures the district takes to prevent and deter fraud can help create a positive workplace environment that can enhance the district’s ability to recruit and retain high-quality employees. The most effective way to implement measures to reduce wrongdoing is to base them on a set of core values that are embraced by the district. These values provide an overarching message about the key principles guiding all employees’ actions and relate directly with NEISD’s code of conduct policies. NEISD management needs to continuously emphasize to all employees that they will be held accountable to act within the district’s code of conduct.

1.5 This document is divided into two sections: Section I identifies measures that NEISD can implement to prevent, deter, and detect fraud. Section II addresses procedures to be followed in response to fraud detection. It is intended to complement CAA (Local) Fiscal Management Goals and Objectives: Financial Ethics. It discusses these measures in the context of three fundamental elements. Broadly stated, these fundamental elements are (1) create and maintain a culture of honesty and high ethics; (2) evaluate the risks of fraud and implement the processes, procedures, and controls needed to mitigate the risks and reduce the opportunities for fraud; and (3) develop an appropriate oversight process. Although the entire management team shares the responsibility for implementing and monitoring these activities, with oversight from the Board of Trustees, the Superintendent does, in fact, support such measures. Without the Superintendent’s active support, these measures would be less effective.

Section I Fraud Prevention and Detection

2. Creating a Culture of Honesty and High Ethics

2.1 It is the responsibility of NEISD management to create a culture of honesty and high ethics and to clearly communicate acceptable behavior and expectations of each employee. Such a culture is based on a strong set of core values (or value system) that provides the foundation for how the district conducts its business. It also allows the district to develop an ethical framework that covers (1) fraudulent financial reporting, (2) misappropriation of assets, and (3) corruption as well as other issues. Creating a culture of honesty and high ethics should include the following:

2.2 Setting the Tone at the Top

2.2.1 Directors, executive directors, principals, associate superintendents and the superintendent set the “tone at the top” for ethical behavior within NEISD. Research in moral development strongly suggests that honesty can best be reinforced when a proper example is set—sometimes referred to as the tone at the top. NEISD management cannot act one way and expect NEISD employees to behave differently.

2.2.2 In many cases, it is necessary for management to both behave ethically and openly communicate its expectations for ethical behavior because most employees are not in a position to observe management's actions. Management must show employees through its words and actions that dishonest or unethical behavior will not be tolerated, even if the result of the action benefits the district. Moreover, it should be evident that all employees will be treated equally, regardless of their position.

2.2.3 The cornerstone of an effective antifraud environment is a culture with a strong value system founded on integrity. This value system is currently reflected in NEISD's board policies dealing with a sound code of conduct.

2.3 Creating a Positive Workplace Environment

2.3.1 Research results indicate that wrongdoing occurs less frequently when employees have positive feelings about an entity than when they feel abused, threatened, or ignored. Without a positive workplace environment, there are more opportunities for poor employee morale, which can affect an employee's attitude about committing fraud. Factors that detract from a positive work environment and may increase the risk of fraud include:

- Top management that does not seem to care about or reward appropriate behavior
- Negative feedback and lack of recognition for job performance
- Perceived inequities in the district
- Autocratic rather than participative management
- Low organizational loyalty or feelings of ownership
- Unreasonable budget expectations or other financial targets
- Fear of delivering "bad news" to supervisors and/or management
- Less-than-competitive compensation
- Poor training and promotion opportunities
- Lack of clear organizational responsibilities
- Poor communication practices or methods within the district

2.3.2 The district's human resources department is instrumental in helping to build a corporate culture and a positive work environment. Human resource professionals are responsible for implementing specific programs and initiatives, consistent with management's strategies that can help to mitigate many of the detractors mentioned above. Mitigating factors that NEISD has developed and implemented to help create a positive work environment and reduce the risk of fraud include:

- Recognition and reward systems that are in tandem with goals and results
- Equal employment opportunities
- Team-oriented, collaborative decision-making policies
- Professionally administered training programs and an overall focus on career development
- Employees are given ample opportunity to obtain advice internally before

making decisions that appear to have significant legal or ethical implications. They are encouraged and given the means to communicate concerns, anonymously if preferred, about potential violations of the district's code of conduct, without fear of retribution. In the NEISD a widely publicized "Hotline" serves this purpose.

2.4 Hiring and Promoting Appropriate Employees

2.4.1 Each employee has a unique set of values and personal code of ethics. When faced with sufficient pressure and a perceived opportunity, some employees will behave dishonestly rather than face the negative consequences of honest behavior. The threshold at which dishonest behavior starts, however, will vary among individuals. If NEISD is to be successful in preventing fraud, it must have effective policies that minimize the chance of hiring or promoting individuals with low levels of honesty, especially for positions of trust. Within NEISD hiring and promotion procedures include:

- Conducting background investigations on individuals being considered for employment or for promotion to a position of trust
- Thoroughly checking a candidate's education, employment history, and personal references
- Incorporating into regular performance reviews an evaluation of how each individual has contributed to creating an appropriate workplace environment in line with the district's values and code of conduct
- Continuous objective evaluation of compliance with the district's values and code of conduct, with violations being addressed immediately

2.5 Confirmation

2.5.1 Management needs to clearly articulate that all employees will be held accountable to act within the district's code of conduct. All employees within senior management and the finance function, as well as other employees in areas that might be exposed to unethical behavior (for example, all certified employees with budget authority are required to complete an online survey (i.e., conflict of interest) statement annually). This confirmation reinforces the district's policies on ethics and may deter individuals from committing fraud and other violations—thereby identifying problems before they become significant. Honest individuals are more likely to return their confirmations and to disclose what they know (including any conflicts of interest or other personal exceptions to the code of conduct). Thorough follow-up by the Director of Internal Audit can identify significant issues.

2.6 Discipline

2.6.1 The way NEISD reacts to incidents of alleged or suspected fraud will send a strong deterrent message throughout the district, helping to reduce the number of future

occurrences. The following actions will be taken in response to an alleged incident of fraud:

- A thorough investigation of the incident will be conducted if appropriate
- Appropriate and consistent actions will be taken against violators
- Relevant controls will be assessed and improved
- Communication and training will occur to reinforce the district's values, code of conduct, and expectations

2.6.2 Expectations about the consequences of committing fraud will be clearly communicated throughout the district Board Policy CAA (Local) and various human resources policies. These policies clearly indicate that the district is committed to an environment of high ethical standards and integrity.

3. Evaluating Antifraud Processes and Controls

3.1 Neither fraudulent financial reporting nor misappropriation of assets can occur without a perceived opportunity to commit and conceal the act. Districts should be proactive in reducing fraud opportunities by (1) identifying and measuring fraud risks, (2) taking steps to mitigate identified risks, and (3) implementing and monitoring appropriate preventive and detective internal controls and other deterrent measures.

3.2 Identifying and Measuring Fraud Risks

3.2.1 Management has the primary responsibility for establishing and monitoring all aspects of the district's fraud risk-assessment and prevention activities. Fraud risks often are considered as part of an enterprise-wide risk management program, though they may be addressed separately. The fraud risk-assessment process should consider the vulnerability of NEISD to fraudulent activity (fraudulent financial reporting, misappropriation of assets, and corruption) and whether any of those exposures could result in a material misstatement of the financial statements or material loss to the district. In identifying fraud risks, districts should consider organizational, industry, and country-specific characteristics that influence the risk of fraud.

3.3 Mitigating Fraud Risks

3.3.1 It may be possible to reduce or eliminate certain fraud risks by making changes to the district's activities and processes. For example, the risk of corruption may be reduced by closely monitoring the district's procurement process. Unannounced visits by the Internal Audit staff have also proven to be a sound deterrent to fraud.

3.4 Implementing and Monitoring Appropriate Internal Controls

3.4.1 Some risks are inherent in the environment of the entity, but most can be addressed with an appropriate system of internal control. Once fraud risk assessment has taken

place, NEISD can identify the processes, controls, and other procedures that are needed to mitigate the identified risks. Effective internal controls will include a well-developed control environment, an effective and secure information system, and appropriate control and monitoring activities.

4. Developing an Appropriate Oversight Process

4.1 To effectively prevent or deter fraud, NEISD has implemented several oversight mechanisms/processes. Overall oversight is the responsibility of the Internal Audit Department.

4.2 Board of Trustees

4.2.1 The Director of Internal Audit identifies potential fraud risks to the Board of Trustees, annually, as part of the audit plan approval process. Active oversight by the Board of Trustees serves to reinforce management's commitment to creating a culture with "zero tolerance" for fraud.

4.3 Management

4.3.1 Under NEISD policies and procedures, management is responsible for overseeing the activities carried out by employees, and typically does so by implementing and monitoring processes and controls such as those discussed previously.

4.4 Internal Auditors

4.4.1 The Internal Audit Department also serves as a key oversight function. Internal Audit's knowledge about the district operations may identify indicators that suggest fraud has been committed. The *Standards for the Professional Practice of Internal Auditing* (IIA Standards), issued by the Institute of Internal Auditors, state, "The internal auditor should have sufficient knowledge to identify the indicators of fraud but is not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud." Internal auditors also have the opportunity to evaluate fraud risks and controls and to recommend action to mitigate risks and improve controls. Specifically, the IIA Standards require internal auditors to assess risks facing their organizations. This risk assessment serves as the basis from which audit plans are devised and against which internal controls are tested.

4.5 Independent Auditors

4.5.1 Independent auditors assist management and the Board of Trustees by providing an assessment of the district's process for identifying, assessing, and responding to the risks of fraud. The Board of Trustees maintains an open and candid dialogue with the independent auditors regarding management's risk assessment process and the system of internal control.

4.6 Certified Fraud Examiners

4.6.1 Certified fraud examiners (CFEs) assist the Board of Trustees with aspects of the oversight process either directly or as part of a team of internal auditors or independent auditors. Certified fraud examiners can provide extensive knowledge and experience about fraud that may not be available within a corporation. CFEs can provide more objective input into management's evaluation of the risk of fraud (especially fraud involving senior management, such as financial statement fraud) and the development of appropriate antifraud controls that are less vulnerable to management override.

SECTION II RESPONSE TO DETECTED FRAUD

5. Introduction

5.1 NEISD is committed to the highest possible standards of openness, honesty and accountability in all its affairs. It is determined to maintain a culture of honesty and opposition to fraud and corruption.

5.2 In line with that commitment, NEISD's Anti-Fraud Policy outlines the principles we are committed to in relation to preventing, reporting and managing fraud and corruption.

5.3 This fraud response procedure reinforces NEISD's approach by setting out the ways in which employees or members of the public can voice their concerns about suspected fraud or corruption. It also outlines how NEISD will deal with such complaints.

6. Implementation

6.1 This plan is to be implemented where suspicions of fraud or corruption have been raised.

Fraud is defined as:

"The intentional distortion of financial statements or other records by persons internal or external to NEISD which is carried out to conceal the misappropriation of assets to the overall detriment of the organization or otherwise for personal illegitimate gain." Corruption of a political system or institution is exemplified when public officials seek illegitimate personal gain through actions such as bribery, extortion, cronyism, nepotism, patronage, graft, or embezzlement.

Corruption is defined as:

"The offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person".

6.2 Fraudulent or corrupt acts may include:

- **Systems Issues** - Where a process/system exists which is prone to abuse by either employees or the public, in general.
- **Financial Issues** - Where individuals or companies have fraudulently obtained money from NEISD.
- **Equipment Issues** - Where NEISD's equipment is used for inappropriate personal use.
- **Resource Issues** - Where there is a misuse of resources, (e.g. theft of materials)
- **Other Issues** - Activities undertaken by officers of NEISD which may be: unlawful; against NEISD's policies, falls below established standards or practices; or amounts to improper conduct.

6.3 This is not an exhaustive list. If you are in any doubt about the seriousness of your concern, advice and guidance can be obtained from the Internal Audit Director.

7. Safeguards

7.1 **Harassment or Victimization** - NEISD recognizes that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. NEISD will not tolerate harassment or victimization and will take action to protect those who raise a concern in good faith.

7.2 **Confidentiality** - NEISD will do its best to protect an individual's identity when he or she raises a concern and does not want their name to be disclosed. It must be appreciated that in certain situations, the investigation process may reveal the source of the information and a statement by the individual may be required as part of the evidence.

7.3 **Anonymous Allegations** - This policy encourages individuals to include their names with allegations. Concerns expressed anonymously are much more difficult to pursue if additional information or clarification is needed, and feedback to the person filing the concern is not always possible. Nevertheless, all complaints or concerns will be acted upon to ascertain legitimacy and implement needed oversight, when appropriate. Factors to be taken into account include: the seriousness of the issues raised; the credibility of the concern; and the likelihood of confirming the allegation from attributable sources.

7.4 **Untrue Allegations** - If an allegation is made in good faith, but it is not confirmed by the audit/investigation, no action will be taken against the originator. If, however, individuals make malicious or unfounded, harmful allegations, disciplinary measures could be imposed against the individual making the allegation.

8. Employee Actions

8.1 Employees are often the first to realize that there is something seriously wrong within NEISD. However, they may not express their concerns because they feel that

speaking up would be disloyal to their colleagues or to NEISD. They may also fear harassment, victimization or retribution. In these circumstances, it may be easier to ignore the concern rather than report what may just be a suspicion. If an employee suspects wrongdoing or observes fraudulent activity, he/she should:

- Immediately notify his/her supervisor unless the supervisor is a suspect. In that case, use NEISD's Hotline (internet or telephone), which is intended to encourage and enable employees (and others) to raise serious concerns within NEISD, without fear of reprisal, rather than overlooking a problem or "blowing the whistle" to the media or other external sources.
- If the immediate supervisor substantiates the suspicions, he/she should elevate the concern to the director, executive director, campus principal or Director of Internal Audit, as appropriate.

8.2 Internal Audit can be contacted by completing the NEISD internet on-line reporting form under the "Hotline" hyperlink or by telephoning (210) 805-5331, or by writing to: Internal Audit Director, Internal Audit Department, 8961 Tesoro Drive, 6th Floor, San Antonio Texas 78217. Either of these methods allow for anonymous reporting.

9. Public Actions

9.1 NEISD encourages members of the public who suspect fraud and corruption to contact the Internal Audit Director. The hotline described in paragraph 8.2 is available to the public on the NEISD web page.

9.2 The Internal Audit Department operates independently of all other district processes and departments, and works to establish procedures with the following aims:

- Develop an anti-fraud culture
- Deter, prevent, detect and investigate fraud and corruption
- Take appropriate actions against those who commit or seek to commit some sort of fraud or corruption
- Obtain compensation for any losses to NEISD

10. How will allegations of Fraud or Corruption be dealt with By NEISD?

10.1 For issues raised by employees or members of the public, the action taken by NEISD will depend on the nature of the concern. The matters raised may:

- Be investigated internally
- Be referred to the police

10.2 Within 10 working days of a concern being received, the Director of Internal Audit or designated officer will write to or contact (unless the complaint is anonymous) the complainant to:

- Acknowledge that the concern has been received
- Indicate how it proposes to deal with the matter
- Give an estimate of how long it will take to provide a final response
- Advise the complainant whether any initial inquiries have been made
- Advise the complainant about further investigations that will take place, and if not, why not

10.3 Where the loss is substantial, legal advice will be obtained. Legal advice will also be obtained about prospects for recovering losses, where the perpetrator refuses repayment. NEISD would normally attempt to recover costs in addition to losses.

10.4 NEISD respects the fact that those people who reported the alleged fraud or corruption need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, they will receive information about the outcome of any investigation.



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter: Anthony Mitchell
Director, Internal
Audit

Subject: Internal Audit Plan

Related Page(s): Attachment

CONSENT ITEM

BACKGROUND INFORMATION

Current audit standards require the preparation and approval of an annual audit plan. House Bill 1 (79th Legislature) placed the Internal Audit function under the auspices of the Board of Trustees. The Internal Audit Director currently provides periodic status reports to the Board but needs approval to proceed with next year's plan. Attached to the Internal Audit Plan is an Anti-fraud Action Plan which was developed to provide a framework for handling fraudulent or potentially fraudulent scenarios. By approving the plan, the Board would also be agreeing with the contents of the Anti-fraud Action Plan.

ADMINISTRATIVE RECOMMENDATION

Recommend that the Board of Trustees approve the Internal Audit Plan for fiscal year 2020-2021.

BOARD ACTION REQUIRED

Approval/Disapproval



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter: Dan Villarreal
Brian Moy, Executive Director
Finance and Accounting

Subject: Waiver of Penalties and
Interest

Related Page(s): Attachment

CONSENT ITEM

BACKGROUND INFORMATION

In accordance with §33.011 of the Texas Property Tax Code, the governing body of a taxing unit shall waive penalties and interest on a delinquent tax if an act or omission of an employee of the taxing unit or appraisal district resulted in the taxpayer's failure to pay the tax before delinquency.

ADMINISTRATIVE CONSIDERATION

The Bexar County Tax Assessor-Collector determined that the following penalties and interest were assessed as a result of an error by the Assessor-Collector or the Bexar Appraisal District:

Tax Account 14831-015-0073: Penalties = \$53.79 Interest = \$26.90

The Assessor-Collector has requested the District waive the penalties and interest in accordance with §33.011 of the Texas Property Tax Code.

BUDGETARY CONSIDERATION

No budgetary consideration required.

RECOMMENDATION

It is recommended that the Board of Trustees waive the penalties and interest on the accounts listed above as presented.

BOARD ACTION REQUIRED

Approval/Disapproval



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: January 11, 2021

Presenter: Ron Clary
Garrett J Sullivan
Executive Director, CM&E

Subject: 2016 Hail Damage Program Year 3 Re-Roofing
and Roof-Related Work Project (2 Campuses)
Schematic Design Approval

Page(s): Attachment

CONSENT ITEM

BACKGROUND INFORMATION

A previous bid to address hail damage and provide roofing repairs through use of an exterior coating system application at East Terrell Hills and Ridgeview Elementary Schools has been cancelled due to deteriorating roofing conditions at both school facilities and increased roof blistering issues – use of a roof coating system to affect the repairs is no longer an appropriate option. The best long-term solution for these campuses is a roof replacement of the hail-impacted roof areas. The roof replacement areas identified for these campuses equals 57,945 square feet (East Terrell Hills) and 48,069 square feet (Ridgeview).

ADMINISTRATIVE CONSIDERATION

This is an approved project within the 2016 Hail Damage Insurance Claim.

BUDGETARY CONSIDERATION

Funds for the 2016 Hail Damage Program Roofing Repair and Replacement Projects are provided by the District's Insurance Carrier (FM Global) through the hail damage claim. The 2016 Roofing Hail Damage Contingency Funds Program account currently totals \$3,756,336.28. Estimated roof replacement construction costs for both elementary school projects equal \$2,496,505.00. WJE roof consultant design and contract administration service costs equal \$187,238.00 for a total Schematic Design and Construction Cost estimate of \$2,683,743.00. Project contingency funds included in this cost estimate equal \$118,881.00 or 5% of the estimated construction cost.

RECOMMENDATION

It is recommended that the Board of Trustees approve the Schematic Design roof-replacement program for the East Terrell Hills and Ridgeview Elementary School Re-Roofing and Roof-Related Work Projects and authorize the full development of design and construction documents for this project.

BOARD ACTION REQUIRED

Approval/Disapproval