

**Tucson Unified School District No. 1
Governing Board Audit Committee Meeting
Board Conference Room, Morrow Education Center
1010 East Tenth Street
Tucson, Arizona 85719**

**January 23, 2015
2:00 p.m.**

MINUTES

Committee Members Present:

Jimmy J. Lovelace, Chair
Charles M. Kill

Committee Members Absent:

Lori K. M. Cox

Others Present:

Marcus Jones, Bonds Program Manager, Bonds and Architecture
Christina Cruz, Senior Accounting Manager, Financial Services
Kevin Startt, Director of Purchasing
Renee Weatherless, Director, Financial Services
Scott Morrison, Interim Chief Technology Officer, Technology Services
Stuart Duncan, Chief Operations Officer, Operations
Mary Alice Wallace, Director of Staff Services to the Governing Board
Michele C. Gutierrez, Senior Staff Assistant I to the Governing Board

ITEM

ACTION

MEETING CALLED TO ORDER – Jimmy J. Lovelace called the meeting to order at 2:00 p.m.

CALL TO THE AUDIENCE

None.

No action required.

ACTION ITEMS

1. November 21, 2014 Minutes
2. December 19, 2014 Minutes

Both items were addressed together.

Chuck Kill moved approval. Jimmy Lovelace seconded. Approved 2-0. Lori K. M. Cox was not present for the meeting.

INFORMATION ITEMS

3. Introduction of Governing Board Members/Superintendent

Not addressed as no Board members or the Superintendent were present.

STUDY/ACTION ITEMS

4. RFI No. 73 – After-the-Fact Purchases

Kevin Startt presented to the committee information on After-the-Fact Purchases, discussed Governing Board Policy DJ and DJ-R (Regulation) and the process of disciplining violators who are vendors and school or department staff.

Persons commenting, asking questions, or providing information were Chuck Kill and Jimmy Lovelace.

No action required; discussion only.

5. Bond Fiscal Oversight Committee – A Summary of Final Report

Marcus Jones informed the Audit Committee that he presented a Final Report for the Bond Fiscal Oversight Committee to the Governing Board at the October 28, 2014 Special Board meeting. The report included the projects such as classroom construction and renovation, sidewalks, driveways, ramps, transportation facilities upgrades and network wireless infrastructure to name a few. The 2004 Bond was for \$235 million.

Persons commenting, asking questions, or providing information were Chuck Kill, Jimmy Lovelace and Stuart Duncan.

No action required; discussion only.

6. Asset Inventory and Control

No action required;
discussion only.

Christina Cruz stated that inventory lists were due back on December 19, 2014. The three people who work at Asset Management contacted school sites and departments if they found problems with the returned inventory lists. An RFP went out for Barcoding. They received three proposals, asked for demonstrations and were going to do a reference check on the final two companies before sending it to the Governing Board for approval.

Persons commenting, asking questions, or providing information were Chuck Kill, Jimmy Lovelace and Kevin Startt.

8. Status of FY June 30, 2014 Annual Audit and Annual CAFR
(Addressed out of the order of business as presented on the agenda.)

No action required;
discussion only.

Renee Weatherless presented to the Audit Committee on the Status of the FY June 30, 2014 Annual Audit and Annual CAFR. She stated that at the January 20, 2015, Regular Governing Board meeting Heinfeld, Meech & Co. presented and answered questions from the Governing Board. Heinfeld, Meech & Co. plans to attend the next scheduled Audit Committee meeting to address the CAFR, Single Audit Report and the USFR Questionnaire.

Persons commenting, asking questions, or providing information were Chuck Kill, Jimmy Lovelace and Scott Morrison.

7. Update on ERP Process and District Staff Recommendation
(Addressed out of the order of business as presented on the agenda.)

No action required;
discussion only.

Scott Morrison informed the Audit Committee that the ERP timeline was on track. Currently working through the employee templates and position control. Each department has people as lead or the go to people. Position Inventory, Purchasing and Payroll are being prepared for February and Accounts Payable will be trained in May and June to go live.

Persons commenting, asking questions, or providing information were Chuck Kill and Jimmy Lovelace.

9. Outside Legal Opinion on Audit Committee functions, advice by District Legal Counsel, Committee ability to participate in procurement recommendation of Selection of Outside Auditors and other matters discussed in the Opinion
- Julie Tolleson

No action required; discussion only.

Not addressed as Legal Counsel was not present.

10. Proposal for an Internal Auditor in Tucson Unified School District – Update

No action required; discussion only.

Mary Alice Wallace updated the Audit Committee on the proposal for an Internal Auditor in Tucson Unified School District. The Internal Auditor Policy item was addressed during the December 10, 2014 Governing Board meeting, it ended with Board member Mr. Juárez and Dr. Stegeman agreeing to meet to collaborate on the policy and resubmit the policy to the Governing Board at the January 20, 2015 meeting. At the January 20, 2015 Regular Governing Board meeting the item failed.

Persons commenting, asking questions, or providing information were Chuck Kill and Jimmy Lovelace.

11. Proposed Agenda Items and/or Additional RFI's
- a. USFR Compliance – Questionnaire Comments
 - b. Accounting Records
 - c. Cash Handling
 - d. Capital Assets Control
 - e. Expenditures to Date
 - f. Procurement
 - g. Payroll
 - h. Financial Reports
 - i. Student Attendance Reporting
 - j. Students Accounts – discussion
 - k. Auditor General Internal Controls
 - l. After-the-Fact Purchase Orders
 - m. Annual Single Audit Reporting Package (Each Year)
 - n. Update on ERP Process
 - o. Consolidation of Advertising Update
 - p. Internal Auditor Status

No action required; discussion only.

Jimmy Lovelace stated the items that would be on the next scheduled meeting based on discussion of each item throughout the meeting were Items 4 and 6 in addition to the recurring items for each meeting. New items are Schedule of Current Debt and Status of Annual CAFR, USFR and A133.

12. Meeting Date/Time

No action required;
discussion only.

Jimmy Lovelace stated the February 20, 2015, Scheduled Audit Committee meeting would be cancelled.

The next scheduled meeting is on March 27, 2015.

MEETING ADJOURNED 3:52 p.m.

Chuck Kill moved to
adjourn. Jimmy
Lovelace seconded.
Approved 2-0.

Approved this 27th day of March, 2015.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By 

Jimmy Lovelace
Audit Committee Chair