

**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 25, 2013
2:00 p.m.**

MINUTES

Committee Members Present:

Cliff Altfeld, Chair
J. Thomas House
Jimmy J. Lovelace
Robert O'Toole, Co-Chair

Committee Members Absent:

Charles M. Kill

Others Present:

Yousef Awwad, Chief Financial Officer, Financial Services – arrived at 2:33 p.m.
Michele C. Gutierrez, Senior Staff Assistant I to the Governing Board
Alexis Huicochea, Arizona Daily Star

ITEM

ACTION

MEETING CALLED TO ORDER – Cliff Altfeld called the meeting to order at 2:06 p.m.

CALL TO THE AUDIENCE

The following is the name of the individual who spoke and the subject of his comments:

No action required.

Franklin Sax – Payroll System, Audits and School Closures

ACTION ITEMS

1. Approval of November 16, 2012 Minutes

Robert O'Toole moved approval.
Jimmy Lovelace seconded.
Approved 4-0.
Chuck Kill was not present at the meeting.

STUDY/ACTION ITEMS

6. District to Hire Internal Audit Staff
- Robert O'Toole

Robert O'Toole made the motion to draft a letter to send to the Governing Board on hiring an Internal Auditor.

Robert O'Toole moved approval. Jimmy Lovelace seconded. Approved 4-0.

Other persons commenting, asking questions, or providing information were Cliff Altfeld, J. Thomas House, Jimmy Lovelace and Robert O'Toole.

9. Communicate with Governing Board

Robert O'Toole suggested to the committee that they have a joint meeting with the Governing Board but at this time there may not be enough items to make it worth their time.

No Action Required, discussion only.

Other persons commenting, asking questions, or providing information were Cliff Altfeld, J. Thomas House, Jimmy Lovelace and Robert O'Toole.

2. Status of Business Process Review
3. Update on ERP Process
4. Status of District Cash Flow and status of Expenditure vs. Budget

No Action Required, discussion only.

Yousef Awwad gave the committee an update and answered questions regarding the Business Process Review and ERP Process. He mentioned that the District might look into outsourcing departments as a way for the budget deficit.

Yousef Awwad responded to the rumor regarding cash flow problems at the District and provided clarification.

Other persons commenting, asking questions, or providing information were Cliff Altfeld, J. Thomas House, Jimmy Lovelace, Robert O'Toole and Yousef Awwad.

5. Annual Financial Report and Revisions

No Action Required, discussion only.

Jimmy Lovelace reported that he had been in contact with Heinfeld, Meech and Co. and suggested they meet with the committee to present the CAFR.

Other persons commenting, asking questions, or providing information were Cliff Altfeld, J. Thomas House, Jimmy Lovelace, Robert O'Toole and Yousef Awwad.

7. 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
 - f. Procurement
 - g. Payroll
 - h. Financial Reports
 - i. Student Attendance Reporting
 - j. Students Accounts – Soon
 - k. Auditor General Internal Controls
 - l. After-the-Fact Purchase Orders
 - m. Annual Single Audit Reporting Package (Each Year)

No Action Required, discussion only.

No items were added.

Other persons commenting, asking questions, or providing information were Cliff Altfeld, J. Thomas House, Jimmy Lovelace and Robert O'Toole.

8. Recent Monthly Financial Report to the Governing Board

No Action Required, discussion only.

Robert O'Toole asked Yousef Awwad if a report was given to the Governing Board in December and January. Yousef Awwad stated the most recent report to the Governing Board was at the November 13, 2012 Board meeting.

Yousef Awwad answered questions the committee had from the November 13, 2012, Presentation of Budget Status and update

Other persons commenting, asking questions, or providing information were Cliff Altfeld, J. Thomas House, Jimmy Lovelace, Robert O'Toole and Yousef Awwad.

9. Meeting Date/Time

No Action Required, discussion only.

The next scheduled Audit Committee meeting is February 15, 2013.

Robert O'Toole indicated that he would not be able to attend meeting.

Other persons commenting, asking questions, or providing information were Cliff Altfeld, J. Thomas House, Jimmy Lovelace and Robert O'Toole.

10. Future Agenda Item(s)

No Action Required,
discussion only.

Jimmy Lovelace request that Heinfeld, Meech & Co. be invited to the next scheduled meeting.

Other persons commenting, asking questions, or providing information were Cliff Altfeld, J. Thomas House, Jimmy Lovelace and Robert O'Toole.

MEETING ADJOURNED 3:09 p.m.

Approved this 15th day of February, 2013.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By _____

Clifford Altfeld
Audit Committee Chair

mcg
01-26-13 Audit Committee/Minutes