MINUTES

Committee Members Present:
Lori K. M. Cox, Chair
Charles Andrade
Jimmy Lovelace
Karla Soto, Chief Financial Officer
Victoria Soto
Rachel Wall

Committee Members Not Present:
None.

Others Present:
Renee Weatherless, Director, Financial Services
Kevin Startt, Director, Purchasing
Renee La Chance, Director, Human Resources
Christina Cruz, Sr. Accounting Manager, Financial Services
Nancy Mueller, Sr. Budget Analyst, Financial Services
Sabra Castle, District Cashier, Financial Services
Sylvia L. Lovegreen, Senior Staff Assistant II to the Governing Board
Michele C. Gutierrez, Senior Staff Assistant I to the Governing Board

ITEM ACTION

CALL TO ORDER – 2:02 p.m.

CALL TO THE AUDIENCE
Audit Committee Chair, Lori Cox read the protocol for CTA. Persons who spoke at Call to the Audience were: Lillian Fox re: iVisions software and Finance Budget; Betts Putnam-Hidalgo re: Desegregation.

Audit Committee Chair, Lori Cox asked if committee members wanted to respond to Call to the Audience. No one commented.

No action required.
INFORMATION ITEM

1. Introduction of New Committee Member – Jimmy Lovelace
   Lori Cox introduced Jimmy Lovelace to committee members.

   No action required.

ACTION ITEM

2. January 27, 2017 Minutes
   Rachel Wall moved approval, Charles Andrade seconded. Approved 5-0 in a voice vote. Jimmy Lovelace Abstained.

3. Election of Chair
   No action required.

   After discussion, item was postponed.

   Persons commenting/asking questions were Lori Cox, Charles Andrade, Jimmy Lovelace, Victoria Soto and Rachel Wall.

STUDY/ACTION ITEMS

4. USFR Compliance Questionnaire
   Karla Soto stated the USFR covers all areas of the budget. She discussed the findings and the number of implementations that have been implemented, so far eight. Karla Soto answered questions and concerns.

   Persons commenting/asking questions were Charles Andrade and Jimmy Lovelace.

   Charles Andrade moved to address Item #6 before Item #5; Seconded by Victoria Soto.

   Charles Andrade moved approval, Victoria Soto seconded. Approved 5-0 in a voice vote.
6. Update on Corrective Action Plans regarding Audit Findings

A Corrective Action Plan was put together by the Finance/Purchasing Team for discussion with the Audit Committee. There are ten Audit Findings. (See attached Audit Findings and Corrective Action Plan for each one.) Karla Soto introduced her staff who presented information. In addition to staff Karla Soto and Renee Weatherless answered questions and concerns.

Number 1. Budgeting – Nancy Mueller (Reported as completed and closed.)
Number 2. Accounting Records – Christina Cruz (Reported as completed and closed.)
Number 3. Cash and Revenues – Sabra Castle (Reported as completed and closed.)
Number 4. Property Control – Renee Weatherless (Reported as completed and closed.)
Number 5. Property Control – Christina Cruz (Reported as completed and closed.)
Number 6. Procurement – Kevin Startt (Reported as completed and closed.)
Number 7. Procurement – Kevin Startt (Reported as completed and closed.)
Number 8. Payroll – Renee LaChance (Reported as completed and closed.)
Number 9. Student Attendance Reporting – Nancy Mueller (Reported as completed and closed.)
Number 10. Student Attendance Reporting – Nancy Mueller (Reported as completed and closed.)

Persons commenting/asking questions were Jimmy Lovelace, Charles Andrade and Lori Cox.

5. Single Audit Reporting Report

Karla Soto informed the committee that the external auditors normally presented the Single Audit Report, but they were not available. She could present it to the committee or wait until the next scheduled meeting for Heinfeld, Meech and Co. to present and answer questions.

Karla Soto presented the committee with the Single Audit Report, explained its status as “Draft,” and answered the committee’s questions and concerns.

Persons commenting/asking questions were Jimmy Lovelace, Charles Andrade and Lori Cox.
7. Semi-Annual Report to the Governing Board at the May 9, 2017 Regular Board Meeting

Jimmy Lovelace moved to postpone Item #7 to the next scheduled meeting; Seconded by Rachel Wall.

Jimmy Lovelace moved approval, Rachel Wall seconded. Approved 5-0 in a voice vote.

8. Meeting Date/Time

Next scheduled meeting is on Friday, May 19, 2017.

No action required.

9. Future Agenda Item(s)

New Items for the May meeting will be: Election of Chair and Co-Chair, E-Rate Audit and Medicaid Audit.

No action required.

ADJOURNMENT – 3:25 p.m.

Jimmy Lovelace moved approval, Victoria Soto seconded. Approved unanimously in a voice vote. 5 – 0.

Approved this _____ 20th __________ day of October, 2017.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By ____________________________________
Rachel Wall
Audit Committee Chair
### FY2016 USFR Compliance Questionnaire Corrective Action Plan

<table>
<thead>
<tr>
<th>Area</th>
<th>Deficiency</th>
<th>What action will be taken to correct the deficiency?</th>
<th>Who will take that action?</th>
<th>Who verified that the action taken has corrected the deficiency?</th>
<th>How was correction verified?</th>
<th>Date that the correction was verified as fully in place?</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUDGETING-USFR IV</td>
<td>9. If the District revised the adopted expenditure budget, was the revision completed before May 15 and filed electronically with the CSS and the Superintendent of Public Instruction by May 18 (A.R.S. §15-9028)</td>
<td>No-The final revised budget was not submitted to the Superintendent of Public Instruction until June 14. We have designated four staff members to have the due date for the upload on their calendars and be coordinators who will be doing the upload. An electronic compliance calendar is being developed to notify key staff of budget submission and other filing deadlines.</td>
<td>Nancy Mueller, Budget Manager</td>
<td>Currently key staff (Nancy Mueller, Christina Cruz, Renee Weatherloss and Karla Soto) have marked their calendars with reminders of the due dates for each submission</td>
<td>PENDING: The May 2017 revision of the FY 2016-17 budget will be uploaded by May 18, 2017.</td>
<td>To be verified on May 18, 2017</td>
</tr>
<tr>
<td>ACCOUNTING RECORDS-USFR V-B</td>
<td>10. Were any differences that resulted from reconciliations with the CSS or County Treasurer's records researched and resolved in a timely manner?</td>
<td>No-An unreconciled difference of $11,663 was noted on the reconciliation that related to prior fiscal years.</td>
<td>Christina Cruz, Sr. Accounting Mgr.</td>
<td>Renee Weatherloss, Sr. Director of Finance</td>
<td>A monthly review of the reconciliations will be done and both the Sr. Director of Finance and the Sr. Accounting Manager will sign the reconciliations to ensure that outstanding items are resolved in a timely manner.</td>
<td>Feb. 8, 2017 and ongoing</td>
</tr>
</tbody>
</table>

*#6*
### FY2016 USFR Compliance Questionnaire Corrective Action Plan

<table>
<thead>
<tr>
<th>Area</th>
<th>Deficiency</th>
<th>What action will be taken to correct the deficiency?</th>
<th>Who will take that action?</th>
<th>Who verified that the action taken has corrected the deficiency?</th>
<th>How was correction verified?</th>
<th>When was correction verified?</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>CASH and REVENUES-USER VI-C and F</td>
<td>1. invoiced Consent Leadership for on time deposits.</td>
<td>1) Academic Leadership</td>
<td>1) Sabra Castle, District Cashier</td>
<td>1) District Cashier is matching daily transaction deposits to bank deposits.</td>
<td>1) Nov 2016</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. District strongly encourages sites to utilize the District Courier to ensure timely deposits. Second school year contractor will receive District Courier to make bank deposits.</td>
<td>2) Sabra Castle, District Cashier</td>
<td>2) George Rivera, District Courier</td>
<td>2) Confirmed in courier pickup reports.</td>
<td>2) May 2016 InTouch Training and July 2016 Stars training</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Office Stars Training in July informed all attendees that monies received within a department are subject to the same timeliness of deposit guidelines as school sites are.</td>
<td>3) Sabra Castle, District Cashier</td>
<td>3) Christine Cruz, Sr. Accounting Mgr.</td>
<td>3) Since Department was restructured, late deposits have not been made.</td>
<td>3) July 2016 annual Stars training</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. Memo will be drafted by Sr. Finance Director to be sent out to all Departments to stress the importance of depositing checks in a timely manner.</td>
<td>4) Renee Weatherless, Sr. Finance Director</td>
<td>4) Karla Hota, CFO</td>
<td>4) CFO will review memo with Superintendent’s Leadership Team before sending out to departments.</td>
<td>4) To be reviewed by March 2017</td>
</tr>
</tbody>
</table>

### PROPERTY CONTROL-USER VI-E

| 4    | 6. For equipment items recorded on the stewardship and capital asset list, did the location and identifying number affixed to the asset agree to the information recorded on the corresponding list? | No For one of six stewardship assets reviewed, the asset could not be located. | New Bar Coding System to be implemented by July 2017. Asset Management Teams requesting room numbers on new equipment arrivals. | Christian Cruz, Sr. Accounting Mgr. Mike Durie, Financial Systems Analyst, Project Manager | Renee Weatherless, Sr. Director of Finance | PENDING | July 2017 |

### PROPERTY CONTROL-USER VI-E

| 5    | 7. Did the District update the stewardship and capital assets lists at least annually for acquisitions, transfers, and disposals? | No For one of 15 capital asset additions reviewed, the asset should have been capitalized in fiscal year 2013-14. | Staff member no longer employed by the District. Written instructions on processing have been in place, new staff member understands and is following the process. | Ian Burrows, Accounting Analyst | Christian Cruz, Sr. Accounting Mgr. | Verify by reviewing capital asset projects uncapitalized at year end | July 2017 |
## FY2016 USFR Compliance Questionnaire Corrective Action Plan

<table>
<thead>
<tr>
<th>Area</th>
<th>Deficiency</th>
<th>What action will be taken to correct the deficiency?</th>
<th>Who will take that action?</th>
<th>Who verified that the action taken has corrected the deficiency?</th>
<th>How was correction verified?</th>
<th>When was correction verified?</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRO_CURE__USFR VI-G AND IV-A-2-1001 et seq.</td>
<td>Procurement of items costing at least $10,000 but not over $50,000, are documented and do not follow the guidelines for _____________.</td>
<td>1) All items costing at least $10,000 are documented.</td>
<td>Glenda Kerfoot, Purchasing Manager</td>
<td>Kevin Stark, Director of Purchasing</td>
<td>Documentation of retraining on the three oral quote process for all Purchasing Staff.</td>
<td>1) Feb, 2017</td>
</tr>
<tr>
<td>6</td>
<td>No-for one of 15 purchases reviewed, no quotes were obtained.</td>
<td>2) Procedure is being put in place to accurately determine whether a competitive process for sole source determination is appropriate.</td>
<td>Glenda Kerfoot, Purchasing Manager</td>
<td>Kevin Stark, Director of Purchasing</td>
<td>Random sampling is conducted by Purchasing Manager quarterly to ensure proper procurement justification is obtained.</td>
<td>2) Apr, 2017</td>
</tr>
</tbody>
</table>
## FY2016 USFR Compliance Questionnaire Corrective Action Plan

<table>
<thead>
<tr>
<th>Area</th>
<th>Deficiency</th>
<th>What action will be taken to correct the deficiency?</th>
<th>Who will take that action?</th>
<th>Who verified that the action taken has corrected the deficiency?</th>
<th>How was correction verified?</th>
<th>When was correction verified?</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>20. Did the District obtain written price quotations from at least 3 vendors and follow the guidelines for written price quotations prescribed by the USFR?</td>
<td>1) Ensure that the three oral quote process is followed. Rotating on the three quote process in addition to reviewing the Quote Summary Form procedure for all Purchasing staff. Audit findings are reviewed at Purchasing staff meetings.</td>
<td>Diana Kerfoot, Purchasing Manager</td>
<td>Kevin Statt, Director of Purchasing</td>
<td>1) Documentation of retraining on the three oral quote process for all Purchasing Staff.</td>
<td>1) Feb 16, 2017</td>
</tr>
<tr>
<td></td>
<td>7. Did individual personnel files include appropriate supporting documentation, as listed on USFR pages VI-H through VI-J?</td>
<td>1) The two related findings were addressed in May 2016, and new I-9 forms were completed.</td>
<td>Renee LaChance, Director of HR, Employment</td>
<td>Anna Maiden, Chief Human Resources Officer</td>
<td>COMPLETED: HR staff has completed mandatory I-9 training; duties have been assigned (as indicated in the corrective action) and monitored by supervisory staff.</td>
<td>1) May 2016</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2) HR Staff is required to complete mandatory I-9 training and I-9 compliance will be reviewed semiannually at Department meetings.</td>
<td>Brian Ricks, Director Talent Acquisition &amp; Recruit.</td>
<td></td>
<td></td>
<td>2) June 2016 and January 2022</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3) I-9s are reviewed by a 2nd HR rep before they are entered into ePerson.</td>
<td></td>
<td></td>
<td></td>
<td>3) Ongoing</td>
</tr>
<tr>
<td>Area</td>
<td>Deficiency</td>
<td>What action will be taken to correct the deficiency?</td>
<td>Who will take that action?</td>
<td>Who verified that the action taken has corrected the deficiency?</td>
<td>How was correction verified?</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>------------</td>
<td>---------------------------------------------------</td>
<td>---------------------------</td>
<td>-------------------------------------------------------------</td>
<td>----------------------------</td>
<td></td>
</tr>
<tr>
<td>STUDENT ATTENDANCE REPORTING-USFR X-D</td>
<td>9. No-for one of six attendance records reviewed, absences were not calculated correctly resulting in an understatement of 0.5.</td>
<td>Staff has revised site to re-enforce how to calculate absences. In the this case the student arrived late to school and was marked tardy instead of .5 absent.</td>
<td>Kathleen Parris, Attendance Accounting Analyst</td>
<td>Nancy Mueller, Budget Manager</td>
<td>Employee attended the following trainings offered for attendance (Synagro) on 10/19, 10/26 and 11/9/2016. Additional trainings were conducted 2/1, 2/9, and 4/9. Attendance conducted internal audit on 1/2/16 with no findings. Return visit was made to the site in January to confirm processes were being followed.</td>
<td></td>
</tr>
<tr>
<td>Area</td>
<td>Deficiency</td>
<td>What action will be taken to correct the deficiency?</td>
<td>Who will take the action?</td>
<td>Who verified that the action taken has corrected the deficiency?</td>
<td>How was the correction verified?</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>------------</td>
<td>--------------------------------------------------</td>
<td>--------------------------</td>
<td>---------------------------------------------------------------</td>
<td>---------------------------------</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>STUDENT ATTENDANCE REPORTING-USFR.X.B</td>
<td>AGAVE Online instruction: 1) Manual keying transcription by staff 207 vs 202</td>
<td>AGAVE Online instruction: 2) Three weeks of minutes were not logged - a manual system</td>
<td>Stuart Baker, Coordinator AGAVE Online Instruction</td>
<td>Nancy Mueller, Budget Manager</td>
<td>The district is incorporating our online instruction attendance data into our new student information system. This will eliminate manual entry. Will be able to reconcile data from district records to ADE's. Effective March 1, 2016, an Accounting Analyst was assigned to work directly with AGAVE, Technology Services and ADE to ensure accurate reporting of ADM.</td>
</tr>
</tbody>
</table>