

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

**August 23, 2013
2:00 p.m.**

MINUTES

Committee Members Present:

Cliff Altfeld, Chair
J. Thomas House
Charles M. Kill
Jimmy J. Lovelace arrived at 2:28 p.m.
Robert O'Toole, Co-Chair

Committee Members Absent:

None.

Others Present:

Michael Hicks, Governing Board Member – arrived at 3:10 p.m.
Yousef Awwad, Deputy Superintendent of Operations – arrived at 2:18 p.m. and left at 3:10 p.m.
Kevin Startt, Director of Purchasing
Mary Alice Wallace, Director of Staff Services to the Governing Board
Michele C. Gutierrez, Senior Staff Assistant I to the Governing Board
Alexis Huicochea, AZ Daily Star – arrived at 2:35 p.m.

ITEM

ACTION

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

CALL TO THE AUDIENCE

There were no requests to speak.

No action required.

ACTION ITEM

1. Approval of June 28, 2013 Minutes

Robert O'Toole moved approval. Tom House seconded.
Approved 4-0. Jimmy Lovelace was not present for the vote.

STUDY/ACTION ITEMS

5. After-the-Fact Purchase Orders (Addressed out of the order of business as presented on the agenda.)

No Action Required,
discussion only.

Kevin Startt presented in detail to the committee the after-the-fact report. He proceeded to go over the procedures and some of the keys parts that are processed when there is an after-the-fact. He answered the committee's questions and concerns.

Yousef Awwad commented that the current policy is vague but it is being updated so that discipline for an employee would be applied if after-the-fact purchases continued to occur.

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

3. Student Attendance Reporting – Instructional Hours Report

No Action Required,
discussion only.

Yousef Awwad reported due to the District not being in compliance in 2009, a process was put in place to remedy the accurate accounting and reporting to the State.

Robert O'Toole commented.

4. Asset Inventory and Control

No Action Required,
discussion only.

Yousef Awwad informed the committee that the report was not ready for today's meeting, but it should be available for the meeting of September 27.

9. Update on ERP Process (Addressed out of the order of business as presented on the agenda.)

No Action Required,
discussion only.

Yousef Awwad reported since the last meeting an assessment of PeopleSoft was done regarding cost. After the new Chief Information Officer, Damon Jackson, starts on September 3rd, the next steps will be to strategize for the next five years.

Persons commenting, asking questions, or providing information were Cliff Altfeld, Tom House, Chuck Kill and Robert O'Toole.

6. RFI – What is the Status of the RFP for Outside Auditors

No Action Required,
discussion only.

Yousef Awwad commented that the scope was in the process of being drafted. Kevin Startt will send to Jimmy Lovelace. The term of the contract is a maximum of five years, renewable annually. Marisa Mandel from Finance is working with a committee of Business People or the Advisory Committee.

The Committee had no objection to Jimmy Lovelace and Chuck Kill serving on the Advisory Committee.

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

7. Coordinate with Outside Auditors

No Action Required,
discussion only.

Jimmy Lovelace commented he has covered everything on this item that needed to be covered. Mr. O'Toole requested Jimmy Lovelace to get the deadlines for the audits.

Cliff Altfeld commented.

8. Recommendation to Hire an Internal Auditor – Requested by Tucson Unified School District Governing Board Audit Committee

No Action Required,
discussion only.

Tom House reported that there was nothing to report since the last meeting and the item was scheduled for the August 27th Special Board Meeting.

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

10. Recent Monthly Financial Report to the Governing Board

No Action Required,
discussion only.

Robert O'Toole commented since the new fiscal year just started that the committee continue to receive the monthly reports to the Board.

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
 - 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.

Jimmy Lovelace ask to delete item #7 – Coordinate with Outside Auditors from future meetings and to leave #6 – RFI – What is the Status of the RFP for Outside Auditors.

Bob O'Toole requested the following items:

#4 – Asset Inventory and Control be made a report

#5 – After-the-Fact Purchase Orders – three RFI's will be submitted

#8 – Recommendation to Hire an Internal Auditor – Requested by Tucson Unified School District Governing Board Audit Committee – the results

#10 – Recent Monthly Financial Report to the Governing Board – should be Fiscal Year-to-date Expenditure

#9 – Cliff Altfeld requested that Update on ERP Process continue as an item on the agenda.

12. Approval of Audit Committee Calendar for 2013-2014

Robert O'Toole moved approval. Jimmy Lovelace seconded. Approved Unanimously.

Meeting Schedule/Discussion of 2013-2014 Calendar

September 28, 2013	March 28, 2014
October 25, 2013	April 25, 2014
November 22, 2013	May 23, 2014
December 20, 2013	June 27, 2014
January 24, 2014	July, 2013 – No Meeting Scheduled
February 28, 2014	August 22, 2014

All Audit Committee meetings are scheduled for 2:00 p.m. on Fridays.

Jimmy Lovelace suggested the committee meet quarterly instead of monthly. Robert O'Toole suggested a meeting could be cancelled if there was no new information to be presented.

Other persons commenting were Cliff Altfeld, Tom House and Chuck Kill.

2. Election of Chair and Co-Chair
(Addressed out of the order of business as presented on the agenda.)

Jimmy Lovelace nominated Robert O'Toole for Chair. Robert O'Toole accepted.

Jimmy Lovelace moved the nomination and Tom House seconded. Approved Unanimously.

Robert O'Toole nominated Tom House for Co-Chair. Tom House accepted.

Robert O'Toole moved the nomination and Jimmy Lovelace seconded. Approved Unanimously.

13. Meeting Date/Time

No Action Required, discussion only.

Cliff Altfeld informed the committee that the next scheduled meeting is on September 27th.

Robert O'Toole stated that he would not be able to attend the meeting on September 27th.

15. Introduction of New Governing Board Members

No new Board Members were present.

MEETING ADJOURNED 3:38 p.m.

Robert O'Toole moved approval. Chuck Kill seconded. Approved 5-0.

Approved this 25th day of October, 2013.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By _____
Robert O'Toole
Audit Committee Chair