

**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 25, 2017
2:00 p.m.**

MINUTES

Committee Members Present:

Rachel Wall, Chair
Jimmy Lovelace, Co-Chair
Charles Kill
Victoria Soto

Committee Members Not Present:

Charles Andrade
Darin Guthrie

Others Present:

Demetrius Lee, Internal Auditor
Renee Weatherless, Executive Director, Financial Services
Maricela Meza, Director, Employee Relations
Mary Alice Wallace, Director of Staff Services 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

There were no persons wishing to speak.

No action required.

ACTION ITEMS

1, April 28, 2017 Minutes

No action taken

After discussion, the minutes were postponed to the September 29 meeting when the committee members present on April 28 could approve the minutes.

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

2. May 19, 2017 Minutes

Jimmy Lovelace moved approval, Victoria Soto seconded. Approved 3-0, in a voice vote. Charles Kill Abstained.

Jimmy Lovelace and Charles Kill commented.

3. June 23, 2017 Minutes

Jimmy Lovelace moved approval, Victoria Soto seconded. Approved 3-0, in a voice vote. Charles Kill Abstained.

Jimmy Lovelace and Charles Kill commented.

STUDY/ACTION ITEMS

4. Charter for Internal Auditor Position, Independent Statement and Potential Audit Policies – Draft
- Demetrius Lee

Postponed to September 29, 2017.

Demetrius Lee requested the committee's input and approval, in order to present to the Governing Board at a Board meeting for approval.

Rachel Wall asked for a section on policies to be added under the Independent Statement.

Demetrius Lee will email the committee with the addition and/or changes.

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

5. Risk Assessment Matrix and Audit Plan – Draft
- Demetrius Lee

Postponed to September 29, 2017.

Demetrius Lee presented the Risk Assessment Matrix, the Internal Audit Plan and his Audit Topic Priorization List to the Audit Committee for input and/or changes. He first identified all potential audit topics, and then calculated the risk of negative findings and impact a negative finding would have on the District. Therefore, creating an audit plan that prioritizes audit topics for the school year.

Persons commenting/asking questions were Rachel Wall, Jimmy Lovelace and Charles Kill. Mr. Lovelace asked for more time to review.

6. Auditor General Performance Audit

No action required.

- Jimmy Lovelace

Jimmy Lovelace informed the Audit Committee that he spoke to Debbie Davenport, in the Auditor General office and was told that the Auditor General was in the process of drafting findings and the Performance Audit on the District would be issued no later than the end of the year. He also referenced an attachment which listed the 2016-2017 School District Performance Audit Schedule, TUSD is listed fourth from the bottom. The possibility of having the Auditor General present to the Audit Committee was discussed.

Persons commenting/asking questions were Renee Weatherless, Jimmy Lovelace, Charles Kill and Rachel Wall.

7. Prop 301 Synopsis Update

No action required.

- Maricela Meza

Maricela Meza updated the Audit Committee that on October 6th a second payment for 2016-2017 is scheduled to be paid out to teachers who met the requirements. She explained what Prop 301 was and answered the Audit Committee's questions and concerns.

Persons commenting/asking questions were Charles Kill, Jimmy Lovelace, Renee Weatherless and Rachel Wall.

8. "Draft" Committee Calendar Schedule for 2017-2018 to include deliverables/due dates from External Audit

Jimmy Lovelace moved approval, Victoria Soto seconded. Approved Unanimously in a voice vote. 4-0.

After the committee reviewed the calendar schedule, Rachel Wall stated that she has a work conflict for the October 27th meeting, as well as the March 16th, 2018 date that could be addressed closer to the date.

Jimmy Lovelace moved to approve the Committee Calendar Schedule for 2017-2018 with the exception of changing the October 27th date to October 20, 2017; Seconded by Victoria Soto.

Persons commenting/asking questions were Jimmy Lovelace, Charles Kill, Renee Weatherless and Mary Alice Wallace.

9. Semi-Annual Report to the Governing Board at the August 8, 2017 Regular Board Meeting No action required.
- Rachel Wall

Rachel Wall stated that she presented the Semi-Annual Report to the Governing Board during the August 8th Regular Board meeting, instead of the July 27th Special Board meeting as scheduled. She further commented that the Board gave her positive comments and that the Board was excited to have the new internal auditor on board.

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

10. Meeting Date/Time
- September 22, 2017 scheduled meeting changed to September 29, 2017

Rachel Wall moved approval, Jimmy Lovelace seconded. Approved unanimously in a voice vote. 4 – 0.

Rachel Wall moved to change the approved meeting date from September 22, 2017 to September 29, 2017 so that Finance can present the Budget Update for Fiscal Year 2018; Seconded by Jimmy Lovelace.

Next scheduled meeting is on Friday, September 29, 2017.

11. Future Agenda Item(s)

No action required.

New Items for the September meeting will be; Auditor General Performance Audit, Draft Annual Financial Report, Update on Budget Actual for 2018, Anonymous Online Complaint process, General Counsel to cover Audit Committee Charter, and a demonstration of the new web site regarding the Audit Committee page.

Persons commenting/asking questions were Jimmy Lovelace, Rachel Wall and Charles Kill.

ADJOURNMENT – 3:11 p.m.

Jimmy Lovelace moved approval, Victoria Soto seconded. Approved unanimously in a voice vote. 4 – 0.

Approved this 29th day of September, 2017.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By _____
Rachel Wall
Audit Committee Chair