

**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 28, 2015
2:00 p.m.**

MINUTES

Committee Members Present:

Charlie Andrade
Lori K. M. Cox
Ricky Hernandez
Karla Soto, Chief Financial Officer
Bill Tong

Committee Members Not Present:

Todd Anderson
Adelita S. Grijalva, Governing Board President

Others Present:

Scott Morrison, Chief Technology Officer
Renee LaChance, Project Manager, Enterprise Resource Planning (ERP)
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 – 2:10 p.m.

ACTION ITEM

1. Election of Chair and Co-Chair

No action taken.

The committee postponed the election of Chair and Co-Chair pending receipt of committee members' credentials.

Mary Alice Wallace will e-mail to the committee the credentials.

Ricky Hernandez served as interim chair for this meeting.

Persons commenting, asking questions, or providing information were Karla Soto, Bill Tong, Charlie Andrade, Lori Cox and Ricky Hernandez.

INFORMATION ITEM

2. Welcome New Committees Member to the Audit Committee No action required.
- Charles Andrade
 - Todd Anderson

Charlie Andrade, introduced himself, stated his occupation and described how it related to the Audit Committee.

Ricky Hernandez commented that Todd Anderson would introduce himself at the next scheduled meeting.

3. Call to the Audience No action required.

There were no persons wishing to speak.

ACTION ITEM

4. June 26, 2015 Minutes Bill Tong moved approval, Lori Cox seconded. Approved unanimously in a voice vote.

STUDY/ACTION ITEMS

5. Update on Internal Auditor Position No action required; discussion only.

Mary Alice Wallace updated the committee with the number of applications received and screened by Human Resources. She Added that the position will continue to be advertised.

Lori Cox offered some recommendations for advertising the position and Committee Members discussed other factors affecting the position.

Other persons commenting, asking questions, or providing information were Ricky Hernandez, Karla Soto, Charlie Andrade and Bill Tong.

6. Update on ERP Process

No action required;
discussion only.

Scott Morrison and Renee LaChance presented information and answered the Committee's questions and concerns.

Karla Soto added that the Finance Department tested the product continuously, cleaned up a lot of files, and added an amount for encumbrance and budget lines. The Payroll conducted many tests to the system as well.

Other persons commenting, asking questions, or providing information were Charlie Andrade, Ricky Hernandez, Bill Tong and Lori Cox.

7. Recent Monthly Financial Report to the Governing Board – Fiscal Year-to-date Expenditure

No action required;
discussion only.

Karla Soto gave the committee an overview of the status of where the budget currently stood as of June 30, 2015. She added that the update was presented to the Governing Board during the July 28, 2015 Special Board meeting.

Other persons commenting, asking questions, or providing information were Charlie Andrade, Ricky Hernandez and Bill Tong.

8. Payroll Two-Week Delay Schedule

- Karla Soto

No action required;
discussion only.

Karla Soto informed the committee concerning the two-week payroll delay. In the past years employees got paid after working three weeks. The start of the 2015-2016 school year started the second week of the pay period, which meant it would have been a month before a returning employee received a pay check. Approximately 240 employees requested advancement on their check with the understanding that a certain amount would be withdrawn from each paycheck throughout the school year. The employees signed a contract agreeing to the terms.

Other persons commenting, asking questions, or providing information were Ricky Hernandez, Charlie Andrade and Bill Tong.

9. Committee Calendar Schedule for 2015-2016

No action required;
discussion only.

Charlie Andrade recommended adding a column to the Committee Calendar Schedule to identify events and deliverables that need to be discussed during the audit committee meeting. Ricky Hernandez made some additional suggestions.

Karla Soto will create Calendar of Events and present it at the next Audit Committee meeting. Committee Members asked to receive past Semi-Annual reports to the Board. Mary Alice Wallace will send them to the Committee.

The Calendar will be presented at the next scheduled Audit Committee meeting for approval.

Other persons commenting, asking questions, or providing information were, Bill Tong and Lori Cox.

10. Proposed Agenda Items and/or Additional RFI's

No action required.

Internal Control Issues

- a. USFR Compliance – Questionnaire Comments
- b. Accounting Records
- c. Cash Handling
- d. Capital Assets Control
- e. Expenditures
- f. Procurement
- g. Payroll
- h. Monthly Financial Reports
- i. Student Attendance Reporting
- j. Student Accounts
- 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
- p. Internal Auditor Status

Charlie Andrade inquired the purpose of this item that is listed on the agenda each month.

Ricky Hernandez responded that it's ongoing items for Finance.

Ricky Hernandez indicated some of the items for the next scheduled Audit Committee meeting: Engagement Schedule for External Auditors, Calendar of Events for Finance and Discussion of Audit Committee Charter.

11. Meeting Date/Time

The next meeting will be on Friday, September 25, 2015.

ADJOURNMENT – 4:06 p.m.

Charlie Andrade
moved approval, Bill
Tong seconded.
Approved unanimously
in a voice vote.

Approved this 25th day of September, 2015.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By _____
Charles Andrade
Audit Committee Chair