CALL TO ORDER – 2:33 p.m.

Audit Committee attendance was established via self-introductions.

INFORMATION ITEM

1. Introduction of New Committee Member – Ravi Grivois-Shah
   Item Postponed.
CALL TO THE AUDIENCE
Audit Committee Chair, Jimmy Lovelace read the protocol for CTA.
Person who spoke at Call to the Audience was: Lillian Fox re: Online Anonymous Complaints, 301 Monies payout and budget.

Audit Committee Chair Jimmy Lovelace asked if committee members wanted to respond to Call to the Audience.

Jimmy Lovelace commented.

ACTION ITEMS

2. August 17, 2018 Minutes

   Darin Guthrie moved; Bernie Wiegandt seconded. Approved 4-0 in a voice vote.

   Jimmy Lovelace moved to address Item 8 and Item 4 after Item 2.

   Jimmy Lovelace moved; Bernie Wiegandt seconded. Approved 4-0 in a voice vote.

STUDY/ACTION ITEMS

8. Fiscal Year 2017-2018 Year-to-date Profit and Loss Statement for (each) Fund: 520, 521 and 522

   - Renee Weatherless

   No action required.

   Jimmy Lovelace started the discussion with reviewing the operating statements and presentation for the Infant Early Learning Centers provided by Finance. He inquired when the funds for the months come up short, where does the difference in funding come from.

   Renee Weatherless provided information and responded to the committee’s questions. She added that when she presented the same information to the Governing Board during the September 11th Governing Board meeting, it was requested that she prepare a more detailed report for the November 13th Regular Board meeting.

   Persons commenting/asking questions were Chuck Kill, Darin Guthrie and Bernie Wiegandt.
4. Budget Presentation
   - Jimmy Lovelace

Jimmy Lovelace provided a comparison budget report breaking it down by budget lines and by the three previous and current Superintendent.

Renee Weatherless provided information and responded to committee members’ inquiries.

Persons commenting/asking questions were Darin Guthrie and Chuck Kill.

No action required.

3. Presentation of Single Audit and USFR Report & Findings
   - Renee Weatherless
     - District Cashier – Sabra Castle
     - Asset Management – Christina Cruz
     - Technology Services – Mike Dunn
     - Technology Services – Blaine Young
     - Finance – Nancy Mueller
     - Operations – John Muir
     - Transportation – Martha Zamora

Renee Weatherless introduced each department member regarding their respective department’s findings. She and her staff discussed and presented the Corrective Action Plan that they put together. There are nine Audit Findings. See attached Audit Findings and Corrective Action Plan for each one.

Number 1 – Cash and Revenues – USFR VI C and F 10 – Sabra Castle
Number 2 – Property Control – USFR VI-E 6 – Christina Cruz and Michael Dunn
Number 3 – Information Technologies (IT) – USFR IX 8 – Rabih Hamadeh
Number 4 – Information Technologies (IT) – USFR IX 13 – Blaine Young
Number 5-8 – Student Attendance Reporting USFR X-D 14, 26, 27 and 30 – Kathy Parris
Number 9 – Transportation Support – ADE’s SF-0002 and Transportation Guidelines 2 – Martha Zamora

Persons commenting/asking questions were Chuck Kill, Jimmy Lovelace and Darin Guthrie.
5. **FY19 Expenditure Update**  
   - Renee Weatherless

Renee Weatherless informed the Audit Committee that the FY19 Expenditure Update that was scheduled for the September 25, 2018, Special Governing Board meeting was postponed but the Board agenda item was posted online. Additionally, she covered the Budget Study Session No. 2 which was also postponed. She covered FY19 Enrollment, Spending Plan Reduction Strategies and FY19 Budget Impact. She provided information and responded to committee’s questions.

Persons commenting/asking questions were Darin Guthrie, Jimmy Lovelace and Chuck Kill. Rob Ross commented.

Jimmy Lovelace moved to postpone Item 6 and Item 7. Jimmy Lovelace moved approval, Darin Guthrie seconded. Approved Unanimously, in a voice vote. 4-0.

6. **Up-to-Date Budget to Actual by Function – System Version**  
   - Renee Weatherless

   ITEM POSTPONED

7. **Cash Balance Reports – Fiscal Year 18 Fund Balance**  
   - Renee Weatherless

   ITEM POSTPONED

9. **Standing Item: Complaints Received via Various Avenues**  
   - Rob Ross

Rob Ross reported to the committee that one complaint was received regarding available software and the District’s budget books closing until September for the previous school year.

Persons commenting/asking questions were Jimmy Lovelace, Chuck Kill and Darin Guthrie.
10. Standing Item: Request for Information (RFI) Request by Audit Committee
ITEM NOT ADDRESSED

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

11. Meeting Date/Time
The next scheduled meeting is on Friday, October 26, 2018.
No action required.

12. Future Agenda Item(s)
NOT ADDRESSED
No action required.

Jimmy Lovelace moved to postpone Item 13 and Item 14.
Jimmy Lovelace moved approval, Darin Guthrie seconded. Approved Unanimously, in a voice vote. 4-0.

13. Follow up Matter – Internal Auditor Time Clock Report
• Janet Rico Uhrig
ITEM POSTPONED
No action required.

14. Standing Items Status for Internal Auditor
• Janet Rico-Urhig
ITEM POSTPONED
No action required.
ACTION ITEM

MOTION AND VOTE TO RECESS AUDIT COMMITTEE MEETING TO EXECUTIVE SESSION – 4:07 p.m.

Bernie Wiegandt moved approval, Darin Guthrie seconded. Approved Unanimously, in a voice vote. 4-0.

15. Schedule an executive meeting at this time to consider the following matters:

A. Personnel issues pursuant to A.R.S. §38-431.03 (A)(1); legal advice/instruction to attorney pursuant to A.R.S. §38-431.03 (A)(3) and (A)(4); and consideration of records exempt by law from public inspection (A)(2)

1) Internal Auditor Application Screening

RECESS AUDIT COMMITTEE MEETING

ACTION ITEM

UNANIMOUSLY CONSENTED TO ADJOURN EXECUTIVE MEETING AND RECONVENE COMMITTEE MEETING – 4:51 p.m.

Darin Guthrie moved to discuss job description for the position of Internal Auditor.

Darin Guthrie moved approval, Bernie Wiegandt seconded. Approved Unanimously, in a voice vote. 4-0.

ADJOURNMENT – 4:53 p.m.

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

Approved this ____25th_________ day of January 2018.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By ________________________________

Jimmy Lovelace
Audit Committee Chair
<table>
<thead>
<tr>
<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>2. PROPERTY CONTROL - SURVEYS - 6. For (10) items listed, each item</td>
<td>We are in the process of implementing a bar code system with bi-weekly checks and identifying items. This includes an inventory list for each item.</td>
<td>Finance Asset Management Technology Services</td>
<td>St. Accounting Mgr.</td>
<td>An audit of the inventory list was conducted after implementation.</td>
<td>Not verified.</td>
</tr>
<tr>
<td>3. INFORMATION TECHNOLOGY (IT) - SURVEY 1. Unauthorized access to</td>
<td>All District access to software is limited to the functions necessary for them to perform their duties.</td>
<td>Todd Allen - Computer Systems Manager</td>
<td>reveal information technologies and systems should not be accessed.</td>
<td>Users and devices were reviewed in Active Directory.</td>
<td>9/21/2018.</td>
</tr>
<tr>
<td>4. INFORMATION TECHNOLOGY (IT) - SURVEY 2. Did the District</td>
<td>The District Recovery Plan was finalized on August 15, 2018. It includes a Recovery Plan for all critical systems.</td>
<td>Rachel Hames - Director of Information Technology</td>
<td>first quarter test will be conducted on 9/18/18.</td>
<td>9/20/18.</td>
<td>9/18/18.</td>
</tr>
<tr>
<td>5. STUDENT ATTENDANCE - SURVEY 3. By the 10th student's attendance at</td>
<td>This was reviewed at every 30th and 60th day of the school year. The data was entered into the attendance database.</td>
<td>Nancy Mueller - Attendance Manager</td>
<td>Office staff will be instructed to use the attendance database to verify the data.</td>
<td>3/19/18.</td>
<td>3/19/18.</td>
</tr>
</tbody>
</table>

**Corrective Action Plan**

**PT1917 USF Compliance Questionnaire**

**Corrective Action Plan**

**Action to correct the deficiency or the new procedure to help ensure the deficiency will not occur again in the future.**

**Name and title of the employee taking the corrective action or implementing the new procedure.**

**Name and title of a different district employee that verified the corrective action taken to eliminate the deficiency.**

**How documentation or procedures were reviewed to determine that the correction was made and/or the new procedure is working as planned.**

**Date that the correction was verified as fully in place.**
<table>
<thead>
<tr>
<th>Student Attendance Reporting-User ID #23</th>
<th>Starting with the 2017-18 school year all students are required to read and sign one which is stored in their student records. John Gonzales</th>
<th>Attendance Accounting Staff</th>
<th>We will verify this when we begin pre-audit in the fall to make sure procedures are being followed.</th>
</tr>
</thead>
<tbody>
<tr>
<td>STUDENT ATTENDANCE REPORTING-USER ID #27</td>
<td>Based upon review of the student attendance records in questions 13 through 26, did the District follow its procedures, to re-determine the actual FTE for each student enrolled in an A31 Program, following a student withdrawal or after the end of the school year? For the District, did not have procedures to re-determine FTE after following withdrawal or after the end of the school year.</td>
<td>TL/I John Gonzales</td>
<td>Nancy Mueller, Budget Manager</td>
</tr>
<tr>
<td>STUDENT ATTENDANCE REPORTING-USER ID #28</td>
<td>Were entry dates entered into the District's computerized attendance system within 3 working days after the actual date of entry and was documentation maintained to support the actual date of entry? No-For the 1st quarter reviewed, the form did not indicate when information was entered into the computerized attendance system.</td>
<td>Principal THMS</td>
<td>Nancy Mueller, Budget Manager</td>
</tr>
<tr>
<td>TRANSPORTATION SUPPORT-ADE #5000</td>
<td>Did the students reported as eligible students on the Transportation Route Report meet the definition in A.R.S. 15-901.02? If not, did the Transportation Office disclose the difference in the number of students on the transportation route report and in the “Comments” section of the report? No, the District did not calculate eligible students in accordance with ADE's Transportation Guidelines SP-3003. Actual student counts were only compared on the 20th day, and counts were only used for the first day.</td>
<td>Routing Manager</td>
<td>Director of Transportation</td>
</tr>
</tbody>
</table>