

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

**October 20, 2017
2:00 p.m.**

MINUTES

Committee Members Present:

Rachel Wall, Chair
Jimmy Lovelace, Co-Chair
Charles Andrade
Darin Guthrie
Victoria Soto [arr. @ 2:09 p.m.]

Committee Members Not Present:

Charles Kill

Others Present:

Demetrius Lee, Internal Auditor
Renee Weatherless, Executive Director, Financial Services
Robert S. Ross, Jr., General Counsel
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 – 2:05 p.m.

CALL TO THE AUDIENCE

There were no persons wishing to speak.

No action required.

ACTION ITEM

1, April 28, 2017 Minutes

Charles Andrade moved approval, Rachel Wall seconded. Approved 3-0, in a voice vote. Darin Guthrie Abstained. Victoria Soto was not present for vote.

STUDY/ACTION ITEMS

2. Identity Fraud and Audit Policy

- Demetrius Lee

Both policies were approved individually for scheduling at the November 14 meeting of the Governing Board.

Policy Title: *Internal Auditing*

Policy Code: DIEA

Jimmy Lovelace moved approval, Darin Guthrie seconded. Approved Unanimously, in a voice vote. 4-0. Victoria Soto was not present for vote.

Policy Title: *Fraud, Theft, or other intentional Acts of Crime Discovered by the Internal Auditor*

Policy Code: DIEB

Darin Guthrie moved approval, Jimmy Lovelace seconded. Approved Unanimously, in a voice vote. 5-0.

Demetrius Lee stated he met with General Counsel to create and assign policy codes and titles. He made changes that the committee suggested from the September Audit Committee meeting and answered the committee's questions. Rob Ross provided legal advice.

Persons commenting/asking questions were Jimmy Lovelace and Darin Guthrie.

3. Update on Infant Early Learning Centers (IELC)

- Demetrius Lee

No action required.

Demetrius Lee provided a presentation report on Infant Early Learning Centers. The report was generated from a Request for Information from Governing Board President Michael Hicks. Mr. Lee answered the committee's questions and agreed to update his report with suggestions from the Committee before submitting it.

Persons commenting/asking questions were Rachel Wall, Charles Andrade, Jimmy Lovelace, Darin Guthrie, Victoria Soto and Renee Weatherless. Rob Ross provided legal advice.

4. Internal Auditor Update Report to include JTED Report No action required.
- Demetrius Lee

Demetrius Lee indicated that he had no response from the JTED Director therefore he didn't have an update for the committee.

Jimmy Lovelace commented that the item will be brought back at the November 17th Audit Committee meeting.

5. Audit Committee Charter No action required.
- Rob Ross

Jimmy Lovelace stated that according to the Audit Committee Charter, the committee's oversight responsibility includes periodically rebidding the contract of the external auditors. Mr. Lovelace also referenced a document, Request for a Legal Opinion, provided to him by a previous General Counsel. The information will be scanned and emailed to the committee.

Rob Ross responded to questions and also commented.

Charles Andrade commented.

This item will be brought back at the November 17 Audit Committee meeting.

6. Update on Online Complaint Process
- Rob Ross

Rob Ross gave details to the committee on tracking the online complaint process. He tested the process by submitting a test complaint via the TUSD web which was received by the Audit Committee chair and co-chair in accordance with the procedure.

Jimmy Lovelace moved for approval to remove the current P. O. Box from Policy BDFB and add a new physical address as a way to submit an anonymous complaint to the Audit Committee via U. S. Mail. Darin Guthrie seconded.

Jimmy Lovelace moved approval, Darin Guthrie seconded. Approved Unanimously, in a voice vote. 5-0.

Rachel Wall will request a database report of online complaints from the webmaster.

Persons commenting/asking questions were Rachel Wall, Jimmy Lovelace, Darin Guthrie, Demetrius Lee and Charles Andrade.

7. Call to the Audience (Sahuaro) – Possible Audit Ticket Sales No action required.

Demetrius Lee will include in his cash handling audits, auditing ticket sales for TUSD events throughout the district for consistency.

Persons commenting/asking questions were Rachel Wall, Jimmy Lovelace, Darin Guthrie, Renee Weatherless

8. Annual Financial Report No action required.
• Renee Weatherless

Rachel Wall commented to the committee that this item was for any follow up questions from the September 29th Audit Committee meeting where Renee Weatherless presented the AFR.

Since an unedited AFR was presented at the September 29th Audit Committee meeting, Jimmy Lovelace requested that the committee see a final copy of the AFT.

Persons commenting/asking questions were Renee Weatherless, Charles Andrade and Darin Guthrie.

9. Approval of the 1.06 percent teacher salary increase and approval of the revision of the Fiscal Year 2017-2018 Tucson Unified School District Expenditure Budget pursuant to Laws 2017, Ch. 305, Section 33 No action required.
• Renee Weatherless

Renee Weatherless clarified to the Audit Committee that the item was a combination item that went to the Governing Board for approval at the October 17, 2017 Regular Board meeting. She further explained that the 1.06 percent was not a raise to the teachers but a one-time stipend that would be paid out in December, as a result of SB1522. The Arizona Department of Education mandated the percentage and indicated that the teachers were the only ones receiving the stipend. Therefore, revisions were made to the TUSD Expenditure Budget.

Persons commenting/asking questions were Jimmy Lovelace, Darin Guthrie, Victoria Soto and Rachel Wall. Rob Ross provided legal advice.

10. Tucson Unified School District Budget Study Session No. 2 – Regular Governing Board Meeting on October 17, 2017 No action required.
- Renee Weatherless

Renee Weatherless provided the highlights that she covered during Budget Study Session No. 2 to the Governing Board at the October 17th meeting such as the hard to fill positions and substitutes.

Persons commenting/asking questions were Jimmy Lovelace, Darin Guthrie, Charles Andrade, Victoria Soto and Demetrius Lee. Rob Ross provided legal advice and responded to questions from the committee. Michele Gutierrez provided additional information.

11. Meeting Date/Time No action required.

Next scheduled meeting is on Friday, November 17, 2017.

12. Future Agenda Item(s)

Items for the November meeting will be; JTED Report, item was postponed from October 20th Audit Committee meeting; Complaint Process; Compliant Database from Webmaster; RFP Process pending the outcome of October 24th Special Board meeting; Internal Auditor Report to the Governing Board on November 14; September and October Minutes of the Audit Committee; Budget Update.

ADJOURNMENT – 3:50 p.m.

Jimmy Lovelace moved approval, Darin Guthrie seconded. Approved Unanimously, in a voice vote. 5-0.

Approved this 17th day of November, 2017.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By _____
Rachel Wall
Audit Committee Chair