

**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 25, 2013
2:00 p.m.**

MINUTES

Committee Members Present:

Robert O'Toole, Chair
J. Thomas House, Co- Chair
Charles M. Kill
Jimmy J. Lovelace

Committee Members Absent:

Cliff Altfeld

Others Present:

Kristel Ann Foster, Governing Board Clerk
Cam Juárez, Governing Board Member
Christina Cruz, Senior Accounting Manager, Finance
Marcus Jones, Bonds Program Manager, Operations
Paula Stillwell, Payroll Manager, Finance
Kevin Startt, Director of Purchasing, 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

ITEM

ACTION

MEETING CALLED TO ORDER – Robert O'Toole called the meeting to order at 2:01 p.m.

CALL TO THE AUDIENCE

The following is the name of the individual who spoke and the subject of his comments: No action required.

Dick Bacye – Status on stolen property, Desegregation and Magnet schools.

ACTION ITEM

1. Approval of August 23, 2013 Minutes

Tom House moved approval. Jimmy Lovelace seconded. Approved 4-0.

STUDY/ACTION ITEMS

5. RFI No. 64 – Authority for Approval of Change Orders in Construction Projects

No Action Required, discussion only.

(Addressed out of the order of business as presented on the agenda.)

Marcus Jones explained and answered questions that the committee addressed regarding the authority for approval of change orders in construction projects. Kevin Startt gave additional information on the procedures and limits that project managers are authorized for.

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

3. RFI No. 62 – After-the-Fact Procurements
(Addressed out of the order of business as presented on the agenda.)

No Action Required, discussion only.

Marcus Jones informed the committee of after-the-fact procurements and gave examples of how a purchase could become an after-the-fact for construction projects.

Kevin Startt addressed the list of after-the-fact procurements that the committee was provided with. He explained the policy and disciplinary action if the same department/school site had continuous after-the-fact procurements.

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

2. RFI No. 61 – Sole Source Procurements

No Action Required, discussion only.

Kevin Startt explained to the committee the procedures of a sole source procurement. He gave examples and time frames as well as answered questions.

The Committee expressed interest in receiving information on purchases and amounts by the District from the AZ Daily Star.

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

4. RFI No. 63 – Instructions to District Staff regarding Purchasing Procedures

No Action Required, discussion only.

Kevin Startt made the committee aware that on the TUSD website Governing Board Policy DG and Regulation DG-R are available for the public to view. The policy serves as guidance for the purchasing process.

Robert O'Toole suggested that the item be placed on the next scheduled meeting so committee members would have more time to review.

Other persons commenting, asking questions, or providing information were Chuck Kill and Jimmy Lovelace.

6. RFI No. 65 – Sick/Vacation Payout Procedures

No Action Required, discussion only.

Paula Stillwell explained in detail the procedures and process of sick/vacation payouts which the District uses when an employee retires. She explained further that the employee's bargaining unit determines how the calculations are figured.

Chuck Kill asked to see the bargaining unit agreements and was informed that they were available on the TUSD Website.

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

7. Asset Inventory and Control

No Action Required, discussion only.

Christina Cruz explained the bar code system for the tracking of inventory for the District and added that they were going to hire someone who could best handle the bar coding and the inventory tracking.

Chuck Kill inquired who was responsible for doing the inventories at the schools sites and departments. Christina Cruz replied that is usually done by the staff and office managers.

Chuck Kill will submit an RFI regarding Asset Management to be addressed at the next meeting.

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

17. Introduction of New Governing Board Members
(Addressed out of the order of business as presented on the agenda.)

No Action Required, discussion only.

Board Members Kristel Ann Foster and Cam Juárez introduced themselves to the committee.

8. Update on the Efficiency Audit directed by the Governing Board – Schedule, Auditor Information, Etc.

No Action Required, discussion only.

With no District representation to provide or answer questions, Board Members Kristel Ann Foster and Cam Juárez expressed their feelings of what they are looking for when the Board receives the results on the Efficiency Audit.

Chuck Kill commented this indicates District should have an Internal Auditor.

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

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

No Action Required, discussion only.

Because of the confidentiality, Jimmy Lovelace informed the committee that he was not able to discuss the RFP for Outside Auditors. Other than it was in the process of being scored.

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

There was no discussion, but the hiring of an Internal Auditor was referenced during item #8.

11. Update on ERP Process

Through an e-mail to the recording secretary, Yousef Awwad wanted the committee to know that there was no update and nothing had been moved forward.

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

With no District representation, Robert O'Toole instructed the committee to review the information that was provided and to send questions to Mary Alice Wallace.

13. Semi-Annual Report to the Governing Board November 12, 2013
Governing Board Meeting

Robert O'Toole informed the committee that he had sent members a draft report to review and received changes only from Chuck Kill. He made the changes and submitted the report to Mary Alice Wallace for the November 12, 2013 Governing Board meeting.

Chuck Kill commented.

14. 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.

Tom House asked for the committee to review the Audit Committee Charter.

Chuck Kill is going to submit to Mary Alice Wallace an RFI on Asset Management

Other titles added: RFI No. 65 – Sick/Vacation Payout Bargaining Group Spread Sheet and Board Policy DJ-R on After-the-Fact Purchases titles.

15. Meeting Date/Time

The next scheduled meeting is on November 22, 2013.

MEETING ADJOURNED 4:03 p.m.

Jimmy Lovelace
moved approval. .
Tom House seconded.
Approved 4-0.

Approved this 22nd day of November, 2013.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By _____

Robert O'Toole
Audit Committee Chair

Governing Board Audit Committee Meeting Minutes

October 25, 2013 2:00 p.m.

Page 5 of 5