

**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 26, 2018
2:30 p.m.**

MINUTES

Committee Members Present:

Jimmy Lovelace, Chair
Darin Guthrie, Vice-Chair
Ravi Grivois-Shah
Charles Kill *[arr @ 2:38 p.m.]*
Rachel Wall
Bernie Wiegandt

Committee Members Not Present:

None.

Others Present:

Reem Kievit, Director, Community Schools Pre-K *[arr @ 2:36 p.m.; left @ 3:09 p.m.]*
Janet Rico Uhrig, Executive Director, Human Resources *[arr @ 3:29 p.m.]*
Renee Weatherless, Executive Director, Financial Services
Robert S. Ross, Jr., General Counsel
Michele C. Gutierrez, Senior Staff Assistant I to the Governing Board

ITEM

ACTION

CALL TO ORDER – 2:31 p.m.

Audit Committee attendance was established via self-introductions.

INFORMATION ITEM

- | | |
|---|---------------------|
| 1. Introduction of New Committee Member – Ravi Grivois-Shah | No action required. |
|---|---------------------|

Jimmy Lovelace introduced Ravi Grivois-Shah as the newest Board appointed Audit Committee member.

CALL TO THE AUDIENCE

No action required.

Audit Committee Chair, Jimmy Lovelace read the protocol for CTA.
Person who spoke at Call to the Audience was: Lillian Fox re: CAFR.

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

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

ACTION ITEMS

2. September 28, 2018 Minutes
Unavailable at this time. Not addressed.

STUDY/ACTION ITEMS

3. Fiscal Year 2017-2018 Year-to-date Profit and Loss Statement for (each) Fund: 520, 521 and 522 No action required.
 - Renee Weatherless

Renee Weatherless handed out an operating statement to the Audit Committee.

Renee Weatherless and Reem Kievit provided the Audit Committee an update regarding the collaborative process that will be utilized to determine all cost-savings measures. They also presented the projected savings for the 2018-2019 school year as well as an overview of the services provided at the centers.

Persons commenting/asking questions were Darin Guthrie, Rachel Wall, Jimmy Lovelace, Chuck Kill, Ravi Grivois-Shah and Bernie Wiegandt.

4. Status of External Auditors No action required.
 - Renee Weatherless

Renee Weatherless reported that the external auditors have been in attendance, are scheduled to return the following week, and plan to schedule an exit interview.

Jimmy Lovelace requested that he and Darin Guthrie be invited to attend the exit interview with the external auditors.

5. Presentation of the September 30th Annual Financial Report No action required.
- Renee Weatherless

Renee Weatherless reported to the Audit Committee that the item went to the Governing Board for approval at the October 3, 2018 Special Board meeting. She provided the highlights that she covered during the Special Board meeting.

Persons commenting/asking questions were Darin Guthrie, Ravi Grivois-Shah, Jimmy Lovelace, Bernie Wiegandt and Chuck Kill.

6. Status and Response to September 28th Call to the Audience Complaint No action required.
- Rob Ross

Rob Ross informed the Audit Committee that one complaint with two issues was received. He recommended that the committee have a public discussion leaving out the name of the individual.

Jimmy Lovelace stated that they should respond in a timely manner therefore, he and Darin Guthrie will meet with Ms. Weatherless to discuss resolution to the complaints.

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

Jimmy Lovelace moved to postpone the following items to the next scheduled meeting. Darin Guthrie seconded. Jimmy Lovelace moved; Darin Guthrie seconded. Approved 6-0 in a voice vote.

7. Charter – Quorum vs. Three Votes
- Rob Ross
- ITEM POSTPONED
8. Standing Item: Complaints Received via Various Avenues
- Rob Ross
- ITEM POSTPONED
9. FY19 Expenditure Update
- Renee Weatherless
- ITEM POSTPONED
10. Up-to-Date Budget to Actual by Function – System Version
- Renee Weatherless
- ITEM POSTPONED

11. Cash Balance Reports – Fiscal Year 18 Fund Balance

- Renee Weatherless

ITEM POSTPONED

12. Standing Item: Request for Information (RFI) Request by Audit Committee

ITEM NOT ADDRESSED

Internal Control Issues

- USFR Compliance – Questionnaire Comments
- Accounting Records
- Cash Handling
- Capital Assets Control
- Expenditures
- Procurement
- Payroll
- Monthly Financial Reports
- Student Attendance Reporting
- Student Accounts
- Auditor General Internal Controls
- After-the-Fact Purchase Orders
- Annual Single Audit Reporting Package (Each Year)
- Update on ERP Process
- Consolidation of Advertising
- Internal Auditor Status

ACTION ITEM

MOTION AND VOTE TO RECESS AUDIT COMMITTEE MEETING TO EXECUTIVE SESSION

Darin Guthrie moved approval to recess Audit Committee meeting to go into Executive Session, Rachel Wall seconded. Approved Unanimously in a voice vote. 6-0.

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

- 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

- B. Legal advice/instruction to attorney pursuant to A.R.S. §38-431.03 (A)(3) and (A)(4); Consideration of records exempt by law from public inspection §38-431.03 (A)(2), specifically, Auditor General records covered under ARS 41-1279.05

1) Report to the Auditor General

RECESS AUDIT COMMITTEE MEETING – 3:48 p.m.

ACTION ITEM

BY CONSENSUS ADJOURN EXECUTIVE MEETING AND
RECONVENE COMMITTEE MEETING – 4:45 p.m.

13. Meeting Date/Time

No action required.

The next scheduled meeting is on Friday, November 16, 2018.

14. Future Agenda Item(s)

No action required.

In addition to the regular standing items each month, the following items will be on the agenda for the November meeting; September and October Minutes of the Audit Committee and the Process of Hiring an Internal Auditor.

ADJOURNMENT – 4:47 p.m.

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

STUDY/ACTION ITEMS

16. Follow up Matter – Internal Auditor Time Clock Report

- Janet Rico-Uhrig
- ITEM NOT ADDRESSED

17. Standing Items Status for Internal Auditor

- Janet Rico-Uhrig
- ITEM NOT ADDRESSED

Approved this 16th day of November 2018.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By _____
Jimmy Lovelace
Audit Committee Chair