

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

**November 16, 2018
2:30 p.m.**

MINUTES

Committee Members Present:

Jimmy Lovelace, Chair
Ravi Grivois-Shah
Rachel Wall
Bernie Wiegandt

Committee Members Not Present:

Darin Guthrie, Vice-Chair
Charles Kill

Others Present:

Janet Rico Uhrig, Executive Director, Human Resources *[arr @ 2:35 p.m.]*
Renee Weatherless, Executive Director, Financial Services
Robert S. Ross, Jr., General Counsel
Michele C. Gutierrez, Senior Staff Assistant II to the Governing Board

ITEM

ACTION

CALL TO ORDER – 2:33 p.m.

Audit Committee attendance was established via self-introductions.

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: Tax
Credit Funds and \$1,500 for marching band cost to student.

No action required.

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 Ravi
Grivois-Shah.

STUDY/ACTION ITEM

1. Standing Items Status for Internal Auditor
 - Janet Rico-Uhrig

No action required.

Janet Rico-Uhrig reported that no new applications have been received for review. Jimmy Lovelace asked for clarification regarding, if applications were received but were screened out by HR for not meeting the minimum qualifications. Janet Rico-Uhrig confirmed that four applications were received but did not meet the minimum qualifications.

During the discussion, committee members provided various job websites for advertising the Internal Auditor position.

Persons commenting/asking questions were Jimmy Lovelace, Rachel Wall and Bernie Wiegandt.

ACTION ITEM

MOTION AND VOTE TO RECESS AUDIT COMMITTEE MEETING TO EXECUTIVE SESSION

Bernie Wiegandt moved approval to recess Audit Committee meeting to go into Executive Session, Ravi Grivois-Shah seconded. Approved Unanimously in a voice vote. 4-0.

2. 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)
 - 1) Internal Auditor Interview

ACTION ITEM

MOTION AND VOTE TO ADJOURN EXECUTIVE MEETING AND RECONVENE COMMITTEE MEETING

Bernie Wiegandt moved approval to adjourn Executive Session and to reconvene the Audit Committee meeting. Ravi Grivois-Shah seconded. Approved Unanimously in a voice vote. 4-0.

ACTION ITEMS

3. September 28, 2018 Minutes

No action taken.

After discussion, the minutes were postponed to the October 20 meeting when the committee members present on April 28 could approve the minutes. Persons commenting/asking questions were Jimmy Lovelace, Bernie Wiegandt Rachel Wall and Ravi Grivois-Shah.

4. October 26, 2018 Minutes

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

STUDY/ACTION ITEMS

5. Follow up Matter – Internal Auditor Time Clock Report

- Janet Rico-Uhrig

No action required.

Jimmy Lovelace stated that the report was from a response from the previous Internal Auditor. He also inquired what management has as a corrective action plan. Janet Rico-Uhrig responded that there is an annual training course and a six-month evaluation would be conducted.

Jimmy Lovelace commented.

6. Charter – Quorum vs. Three Votes

- Rob Ross

Rob Ross provided information and examples of a quorum vs. three votes.

Jimmy Lovelace moved that the Audit Committee direct the in-house counsel to provide at the next meeting a majority rule to include any situation where there is a tie. Seconded: Ravi Grivois-Shah.

Persons commenting/asking questions were Ravi Grivois-Shah, Jimmy Lovelace, Bernie Wiegandt and Rachel Wall. Rob Ross provided legal advice.

Audit Committee Chair, Jimmy Lovelace moved to extend our 4:30 p.m. meeting deadline to address item 7 and to carry the rest of the unaddressed items to the next scheduled meeting. Seconded: Bernie Wiegandt.

7. Status of External Auditors

- Renee Weatherless

Renee Weatherless stated that as reported from last month, an exit interview was scheduled the first week in November and the external auditors are still working on gathering information. New possible date is first week in December.

Jimmy Lovelace inquired if there may be a request for a possible extension. Renee Weatherless replied that external auditors would make the deadline.

Bernie Wiegandt asked for clarification that the statutory requirement for submission of the auditing financial statements to the Auditor General is December 31, 2018. Renee Weatherless replied that in the scope and contract there is a specific date of December 18, 2018.

Jimmy Lovelace moved for approval from the committee that he is able to reach out to the technical partner, Clifton, Larson and Allen (CLA) to ask them directly on the status of how they are doing with the contractual and statutory deadline with the Auditor General. Seconded: Ravi Grivois-Shah.

Persons commenting/asking questions were Ravi Grivois-Shah, Jimmy Lovelace, Bernie Wiegandt and Darin Guthrie. Rob Ross provided legal advice.

Jimmy Lovelace moved, Ravi Grivois-Shah Seconded. Approved Unanimously, in a voice vote. 4-0.

Jimmy Lovelace moved, Seconded: Bernie Wiegandt. Approved Unanimously, in a voice vote. 4-0.

Jimmy Lovelace moved, Ravi Grivois-Shah Seconded. Approved Unanimously, in a voice vote. 4-0.

Audit Committee Chair, Jimmy Lovelace moved to extend the meeting to address item 12. Seconded: Bernie Wiegandt. Approved Unanimously, in a voice vote. 4-0.

Jimmy Lovelace moved, Bernie Wiegandt. Seconded. Approved Unanimously, in a voice vote. 4-0.

8. FY19 Expenditure Update
 - Renee WeatherlessITEM POSTPONED
9. Up-to-Date Budget to Actual by Function – System Version
 - Renee WeatherlessITEM POSTPONED
10. Standing Item: Complaints Received via Various Avenues
 - Old Complaints/Formal Response – Jimmy Lovelace
 - New Complaints/Formal Response – Rob Ross
 - Complaint Form/Web Page – Darin GuthrieITEM POSTPONED
11. 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

12. Meeting Date/Time

No action required.

The next scheduled meeting is on Friday, December 14, 2018.

Renee Weatherless will not be available to attend the December Audit Committee meeting. With a consensus, the committee will meet on the scheduled meeting date of December 14, 2018. Renee Weatherless will provide the appropriate staff to present the items that pertain to Finance.

Persons commenting/asking questions were Jimmy Lovelace, Bernie Wiegandt and Ravi Gravois-Shah.

13. 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 December meeting; September and November Minutes of the Audit Committee and the Process of Hiring an Internal Auditor.

ADJOURNMENT – 4:38 p.m.

Ravi Grivois-Shah moved approval, Rachel Wall seconded. Approved Unanimously, in a voice vote. 4-0.

Approved this 25th day of January 2019.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By _____
Jimmy Lovelace
Audit Committee Chair