

**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 17, 2017
2:00 p.m.**

MINUTES

Committee Members Present:

Rachel Wall, Chair
Jimmy Lovelace, Co-Chair
Darin Guthrie
Charles Kill

Committee Members Not Present:

Charles Andrade
Victoria Soto

Others Present:

Kevin Startt, Director, Purchasing
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 – 2:02 p.m.

CALL TO THE AUDIENCE

There were no persons wishing to speak.

No action required.

ACTION ITEMS

1, September 29, 2017 Minutes

Via e-mail prior to the Audit Committee meeting Darin Guthrie commented that he had requested a correction in a date listed on page two of the September 29th minutes.

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

2. October 20, 2017 Minutes

Jimmy Lovelace requested that the sentence “He has requested to the Governing Board to bring back the Request for Proposal (RFP) for the external auditors” be removed from the minutes. He clarified that he did not make the comment.

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

STUDY/ACTION ITEMS

3. JTED Report

- Demetrius Lee
- Charles McCollum

No action required.

Charles McCollum and Demetrius Lee presented the JTED report to the Audit Committee members. Mr. McCollum furthered detailed the establishment of JTED, its role and purpose to TUSD students.

Persons commenting/asking questions were Darin Guthrie, Chuck Kill, Jimmy Lovelace, Rachel Wall and Renee Weatherless.

4. Internal Auditor Update Report

- Demetrius Lee

No action required.

Demetrius Lee provided a brief update to the Audit Committee. He is working on the Title I Audit and is on track with his timeline of assignments.

Jimmy Lovelace commented and asked questions.

5. Approval of Internal Audit Documents and Related Policies Board Agenda Items from the November 14, 2017 Regular Board meeting

- Demetrius Lee

No action required.

Demetrius Lee provided information and results from presenting to the Board at the November 14, 2017 Regular Board meeting. At the request of the Governing Board members, a few changes were made to the documents. Mr. Lee brought the items back to the Audit Committee to make them aware of the changes.

Persons commenting/asking questions were Jimmy Lovelace, Chuck Kill, Renee Weatherless, and Rachel Wall.

6. Complaint Process No action required.
- Mail Box – Update on Address
 - List of Pending Complaints

Rob Ross informed the committee members that the Governing Board had approved the address change for the assigned mail box for the Audit Committee complaint process and answered questions.

Darin Guthrie suggested that once a year, the committee receive a report to review listing the number of complaints, July 1 through June 30.

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

7. FY18 Expenditure Update No action required.
- Renee Weatherless

Renee Weatherless informed the Audit Committee that the FY18 Expenditure Update that was scheduled for the November 14, 2017 Regular Governing Board meeting was postponed but the Board agenda item was posted online. Therefore, she provided information and answered the committee's questions.

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

8. Meeting Date/Time No action required.

Next scheduled meeting is on Friday, December 15, 2017.

Rachel Wall stated that she would not be able to attend the December 15 meeting, because she will be out of town. Jimmy Lovelace will preside.

9. Future Agenda Item(s) No action required.

Items for the December meeting will be; Internal Auditor Update Report – Title I Audit; Auditor General Performance Audit; FY 18 Expenditure Update; revision of the Complaint Policy regarding the Audit Committee monitoring quarterly, and November Minutes of the Audit Committee.

ACTION ITEM

MOTION AND VOTE TO RECESS AUDIT COMMITTEE MEETING TO EXECUTIVE SESSION

2:37 p.m. – Audit Committee Meeting recessed to Executive Session.

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

1. Schedule an executive meeting at this time to consider the following matters:
 - A. 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) RFP Specifications

ACTION ITEM

MOTION AND VOTE TO ADJOURN EXECUTIVE MEETING AND RECONVENE AUDIT COMMITTEE MEETING – approx. 3:40 p.m. 3:17 p.m. – Reconvene Audit Committee Meeting

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

10. Review of External Audit Services Sealed Solicitation Process Timeline/Information
 - Kevin Startt

No action required.

Kevin Startt and Demetrius Lee provided the information for the process and timeline from beginning to end. (See attached Timeline.)

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

11. Appointment of Audit Committee Members to serve on the External Audit Services RFP Committee
 - Rachel Wall

Jimmy Lovelace moved approval of the four members of the Committee who will serve on the RFP Committee, Darin Guthrie seconded. Approved 4-0, in a voice vote.

Kevin Startt and Demetrius Lee provided information and the procedures to serve on the External Audit Services RFP Committee. Mr. Startt furthered explained how long and where the RFP is posted at www.azpurchasing.org.

Four committee members of the Audit Committee will serve on the External Audit Services RFP Committee – Rachel Wall, Jimmy Lovelace, Darin Guthrie and Chuck Kill. After much discussion, the External Audit Services RFP Committee will be made up of seven members who will include the District’s Internal Auditor, the four approved Audit Committee Members and two others.

See attached timeline.

Notices that a Quorum of the Audit Committee will participate on the RFP Committee will be posted on the Audit Committee’s page on the web in accordance with the Open Meeting Law.

Persons commenting/asking questions were Darin Guthrie and Jimmy Lovelace. Rob Ross provided legal advice.

ADJOURNMENT – 3:37 p.m.

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

Approved this 15th day of December, 2017.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By _____
Jimmy Lovelace
Audit Committee Co-Chair

TIMELINE FOR EXTERNAL AND COMPLIANCE AUDIT SERVICES Request for Proposal (RFP) Process 2017 – 2018

| DATE | TASK |
|-----------------------------|---|
| November 17 | Review Timeline/Select Committee Members with Audit Committee – RFP review |
| November 21 | RFP Posted on AZPurchasing.org and advertised in the Newspaper of Public Record for Pima County - two ads |
| December 1 | Vendor questions due |
| December 12 | Proposals Due/Opening in Purchasing Department - 22 days from posting date |
| December 18 - 2 pm | First Evaluation Team Meeting – instructions/proposals |
| December 19 thru January 10 | Individual review/scoring of proposals – District offices closed December 23 rd – January 7 th |
| January 11 – 2 pm | Second Evaluation Team Meeting – group discussion/ranking of proposals <ul style="list-style-type: none"> • Finalize rankings • Opening of pricing proposals • Rank w/ pricing • Team makes recommendation or • Phase II, short list, discussions, Best and Final Offers (BAFO) |
| January 15 thru 19 time TBD | Phase II Discussions w/ shortlist vendors, BAFO Offers due from vendors (if required) |
| January 22 thru 26 | Evaluation Team scores BAFO, makes recommendation (if required) |
| January 23 or February 13 | Projected Board Meeting if recommendation is made at Phase I |
| February 13 or 27 | Projected Board Meeting if Phase II, BAFOs are required |