

**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 18, 2016
2:00 p.m.**

MINUTES

Committee Members Present:

Ricky Hernandez, Chair
Charles Andrade
Adelita S. Grijalva, Governing Board President, Ex-Officio – *via phone @ 2:08 p.m.;
disconnected @ 3:51 p.m.*
Karla Soto, Chief Financial Officer, Ex-Officio
Victoria Soto – *left @ 4:13 p.m.*
Rachel Wall

Committee Members Not Present:

Lori K. M. Cox, Co-Chair

Others Present:

Renee Weatherless, Director of Finance, Financial Services
Nancy Mueller, Senior Budget Analyst, Financial Services
Tina Stephens, Director of School Improvement, Grants and Federal Programs
H. T. Sánchez, Ed.D., Superintendent – *left @ 2:15 p.m.*
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 – 2:08 p.m.

CALL TO THE AUDIENCE

There were no persons wishing to speak.

No action required.

ACTION ITEM

1. October 28, 2016 Minutes

Victoria Soto moved approval, Rachel Wall seconded. Approved unanimously in a voice vote. 4 – 0.

STUDY/ACTION ITEMS

2. Tucson Unified School District Average Daily Membership Audit Report, FY 13, FY14 and FY15 No action required.
- Nancy Mueller

Nancy Mueller provided the committee with a PowerPoint presentation and answered questions. The audit was focused on whether the District accurately reported its data to the Arizona Department of Education (ADE) and received the correct amount of Basic State Aid. She explained the variety of methods the auditors used such as: Examined District and SAIS records for enrollment; reviewed state statutes and District policies and procedures; and interviewed District management and staff.

Persons commenting/asking questions were Ricky Hernandez, Charles Andrade, Karla Soto and Adelita Grijalva.

3. Cycle 4 Title I Audit No action required.
- Tina Stephens

Tina Stephens reported to the committee via PowerPoint the Overview of the Six-Year Cycle with Cycle 4 – On-Site Monitoring Visit. Points utilized to perform the audit included Title I prepared with a determined date, worked on agenda, a formal letter to Superintendent/Director, Parent surveys were distributed, a submitter was assigned, and a Statement of Assurance; and Answered Criteria questions. The process consisted of site visits; Title I Programs in action; review of fiscal documents (Title I and Title II) and T1 Qualified Staff; Interviews with Homeless Liaison, Parent Involvement Coordinator and Migrant; and ALEAT Review.

Persons commenting/asking questions were Ricky Hernandez, Rachel Wall and Charles Andrade.

4. Budget Status and Update on FY 2017 No action required.
6. Discussion on Prop. 301 Budget and Cash Balances

Items 4 and 6 were addressed as one item.

Renee Weatherless and Karla Soto presented the most recent budget update to the committee via PowerPoint, which was presented to the Governing Board members at the November 15, 2016 Regular Board meeting.

Persons commenting/asking questions were Charles Andrade, Ricky Hernandez and Rachel Wall.

5. Update on Annual Financial Report approved by the Board on October 6, 2016 No action required.
- Renee Weatherless

Renee Weatherless presented the Annual Financial Report update to the committee, which was approved by the Governing Board at the October 6, 2016 Special Board meeting.

Persons commenting/asking questions were Victoria Soto, Karla Soto, Charles Andrade and Ricky Hernandez.

7. Available Components to Comprehensive Annual Financial Report (CAFR) No action required.
- Karla Soto

Karla Soto confirmed that as of today there were no new components to the CAFR. Ms. Soto will arrange for Heinfeld, Meech and Co to present the Draft CAFR to the Audit Committee at the December 16, 2016 Audit Committee meeting. She will try to have a copy of the Draft CAFR e-mailed via through the Governing Board Office to the Audit Committee before the December 16, 2016 meeting for prior review.

Ricky Hernandez commented.

8. Discussion on Potential Recommended Changes to the Board on Internal Auditor Position No action required.

The outcome of the discussion regarding the internal auditor was that the Committee Chair will compose a letter to the Board outlining its concerns and recommending some actions.

Persons commenting/asking questions were Ricky Hernandez, Victoria Soto, Charles Andrade, Rachel Wall and Karla Soto.

9. Proposed Agenda Items and/or Additional RFI's and Future Agenda Items No action required.

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

Items that would be on the next scheduled meeting based on discussion of each item throughout the meeting were the recurring items for each meeting.

New item(s) for the December meeting will be; Heinfeld, Meech & Co. presenting Draft CAFR, Food Services Audit and Discussion on Potential Recommended Changed to the Board on Internal Auditor position.

10. Meeting Date/Time No action required.

Next scheduled meeting is on Friday, December 16, 2016.

ADJOURNMENT – 4:15 p.m.

Charles Andrade moved approval, Rachel Wall seconded. Approved unanimously in a voice vote. 3 – 0.

Approved this 16th day of December, 2016.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By _____
Ricky Hernandez
Audit Committee Chair