

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

**December 19, 2014
2:00 p.m.**

MINUTES

Committee Members Present:

Jimmy J. Lovelace, Chair
Charles M. Kill

Committee Members Absent:

Lori K. M. Cox

Others Present:

Karla G. Soto, Chief Financial Officer
Mary Alice Wallace, Director of Staff Services to the Governing Board
Michele C. Gutierrez, Senior Staff Assistant I to the Governing Board

ITEM

ACTION

MEETING CALLED TO ORDER – Jimmy J. Lovelace called the meeting to order at 2:04 p.m.

CALL TO THE AUDIENCE

None.

No action required.

INFORMATION ITEM

1. Introduction of Governing Board Members/Superintendent

Not addressed as no Board members or the Superintendent were present.

STUDY/ACTION ITEMS

2. Outside Legal Opinion on Audit Committee functions, advice by District Legal Counsel, Committee ability to participate in procurement recommendation of Selection of Outside Auditors and other matters discussed in the Opinion No action required; discussion only.

Jimmy Lovelace mentioned that at the November Audit Committee meeting Julie Tolleson indicated that she and the Superintendent would review the Audit Committee's charter. He understood that management wanted to review the Board appointed committees, their charters and possibly have a Board member on each of the committee.

Chuck Kill commented.

4. Proposal for an Internal Auditor in Tucson Unified School District – Update No action required; discussion only.
(Addressed out of the order of business as presented on the agenda.)

Jimmy Lovelace commented that based on a good source, the District will get an Internal Auditor in which they will report directly to the Board.

Chuck Kill commented.

7. Status of FY June 30, 2014 Annual Audit and Annual CAFR No action required; discussion only.
(Addressed out of the order of business as presented on the agenda.)

Karla Soto informed the committee that the Finance Department had received a "Draft" copy of the CAFR which she and her staff were reviewing. The District is on track for the CAFR to go out on time. Heinfeld, Meech, Inc., will be presenting the CAFR to the Governing Board during the January 20th Governing Board Meeting.

Jimmy Lovelace requested that the Audit Committee receive a copy of the completed CAFR.

The Annual Audit USFR report was given to Finance as a summary. Karla Soto reviewed the findings and explained what the deficiencies meant and how they were being addressed. Deficiencies have been reduced – initial 16 down to 15.

Ms. Soto also announced the TUSD's S & P improved to A+.

Chuck Kill commented.

3. RFI No. 73 – After-the-Fact Purchases
(Addressed out of the order of business as presented on the agenda.)

No action required;
discussion only.

The committee reviewed the After-the-Fact purchases that were requested through an RFI.

Jimmy Lovelace requested that Kevin Startt, Director of Purchasing, attend the next scheduled Audit Committee meeting to answer or discuss any questions from the report.

Chuck Kill commented.

5. 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 to Date
 - f. Procurement
 - g. Payroll
 - h. Financial Reports
 - i. Student Attendance Reporting
 - j. Students Accounts – discussion
 - 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 Update
 - p. Internal Auditor Status

No action required;
discussion only.

Jimmy Lovelace is carrying all items to the next scheduled meeting and adding a new item BFOC-A Summary of Final Report. He requested Kevin Startt and Marcus Jones attend the meeting.

6. Meeting Date/Time

No action required;
discussion only.

The next scheduled meeting is on January 23, 2015.

MEETING ADJOURNED 2:46 p.m.

Approved this 23rd day of January, 2015.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By _____
Jimmy Lovelace
Audit Committee Chair