



MEETING OF: February 9, 2016

TITLE: Revision of the Charter for the Tucson Unified School District Governing Board Audit Committee

ITEM #: 8

Information:

Study:

Action: X

PURPOSE:

To revise the Charter for the Audit Committee in order to address primarily the composition and requisite skills, voting status of the Governing Board representative and Chief Financial Officer, independence of members, and conflicts of interest.

DESCRIPTION AND JUSTIFICATION:

The attached revision of the Audit Committee Charter is being proposed by the Audit Committee and has been vetted at its meeting on January 22, 2016, for sending to the Governing Board for approval. Audit Committee Chair Charles Andrade will be present to respond to questions.

The revision addresses the following issues:

Composition and Requisite Skills - The revised Charter sets the membership as no more than seven and no fewer than three members of the public, appointed by the Governing Board, in addition to the Chief Financial Officer and the Board Member representative. The latter two persons shall serve as Ex-Officio (non-voting) members of the Committee.

The current membership is composed of three members of the public, the Chief Financial Officer and the representative from the Governing Board, all voting members under the current Charter.

Independence of Members - The revised Charter sets the limitations for persons to be a member of the Audit Committee as 1) may not be an employee or independent contractor of TUSD; 2) may not own or have a direct and material interest or hold a leadership position in a company which provides substantial goods or services to TUSD; 3) may not be an immediate or close family member* of someone who owns or has a direct and material interest or holds a leadership position in a company which provides substantial goods or services to TUSD; 4) may not be an immediate or close family member* of a person who serves in a leadership capacity** within TUSD.

*"Immediate" family member is defined as a spouse, spouse equivalent or dependent, whether or not related. "Close" family member is defined as a parent, sibling or nondependent child.

**"Leadership Capacity" is defined as a school principal or any District administrator who directs or manages a school or department, including directors and any member of the Superintendent's leadership team, individuals generally appointed to their positions by the Governing Board.

Conflict of Interest - The revised Charter has added a section on Conflict of Interest: Whenever a Committee member, with the exception of the ex-officio members, has a pecuniary or proprietary interest, either direct or indirect, other than a remote interest in any matter coming before the Audit Committee, the affected member shall:

1. Fully disclose the nature of the interest; and
2. Withdraw from any discussion or voting on the matter.

Any transaction or involving a potential conflict of interest shall be approved only when a majority of the disinterested Committee members determines that it is in the best interest of the District to do so. The Minutes of meetings at which such votes are taken shall record such disclosure, abstentions and rationale for approval.

Future Considerations of the Charter - The Audit Committee contemplates a future amendment to the Charter addressing responsibilities the Committee may have relative to the Internal Auditor once that position has been filled by the District. The Audit Committee requests that the Governing Board approve the proposed revision at this time so additional members may be added to the Committee as soon as possible.

BOARD POLICY CONSIDERATIONS:

LEGAL CONSIDERATIONS:

For all Intergovernmental Agreements (IGAs), Initiator of Agenda Item provides the name of the agency responsible for recording the Agreement after approval:

For amendments to current IGAs, Initiator provides original IGA recording number:

Legal Advisor Signature (if applicable)

BUDGET CONSIDERATIONS:

<input type="checkbox"/>	District Budget
<input type="checkbox"/>	State/Federal Funds
<input type="checkbox"/>	Other
<u>Budget Cost</u>	<u>Budget Code</u>



Budget Certification (for use by Office of Financial Services only):

Date
I certify that funds for this expenditure in the amount of \$ are available and may be:
Authorized from current year budget
Authorized with School Board approval
Code: Fund:

INITIATOR(S):

Charles Andrade, Chair, TUSD Audit Committee	2-2-16
Name	Date

DOCUMENTS ATTACHED/ ON FILE IN BOARD OFFICE:

ATTACHMENTS:
Click to download
 Audit Committee Charter-Current
 Audit Committee Charter - Proposed Revision

