

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

**January 26, 2018
2:00 p.m.**

MINUTES

Committee Members Present:

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

Committee Members Not Present:

Charles Kill
Victoria Soto

Others Present:

Kevin Startt, Director, Purchasing – *arr @ 2:03 p.m.*
Jeff Coleman, Director, School Safety – *left @ 3:00 p.m.*
Peter Hodap, School Safety Supervisor, School Safety – *left at 3:00 p.m.*
Maricela Meza, Director, Employee Relations
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.

Audit Committee attendance was established via self-introductions.

CALL TO THE AUDIENCE

There were no persons wishing to speak.

No action required.

ACTION ITEMS

1. December 15, 2017 Minutes

Darin Guthrie moved approval, Jimmy Lovelace seconded. Approved. 2-0-1, in a voice vote. Rachel Wall Abstained.

STUDY/ACTION ITEMS

2. CAFR Available Components No action required.
- Renee Weatherless

Renee Weatherless presented information and responded to committee inquiries. The CAFR was presented to the Board at the January 23 Board meeting. She highlighted the following: Audit procedures conducted were from April through December 2017; no management letter was issued, no significant deficiencies or material weaknesses in internal control identified; unmodified (clean) financial statement audit opinion and the USFR Compliance Questionnaire and Single Audit reporting package are to be issued.

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

3. Internal Auditor Update Report No action required.
- Demetrius Lee

Demetrius Lee reported to the Audit Committee that Policy DIEA–*Internal Auditing* was pulled from the agenda at the January 23 Board meeting by the Board President to make changes. He will bring back the policy so that the Audit committee can review for approval. Mr. Ross will schedule for a Board meeting.

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

Rob Ross provided legal advice and answered questions.

4. Internal Auditor – Title I Report No action required.
- Demetrius Lee

Demetrius Lee and Renee Weatherless presented information and responded to the committee inquiries. They reported to the Audit Committee that the audit performed determined the following: the efficiency of assets in the area of classroom spending, a prior Single Audit Finding identified that 100% of teachers were not appropriately certified; Title I operations were efficient; assets purchased with Title I funding were properly accounted for; and parent involvement in the establishment of students' goals was formally documented.

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

5. Prop 301 No action required.
- Demetrius Lee
 - Maricela Meza

Demetrius Lee reported on legal advice from the Auditor General regarding eligibility to receive 301 monies. Maricela Meza presented information and responded to committee inquiries. Maricela Meza explained the “Grandfathered List” of teachers and how they were not qualified to participate in a Classroom Site Fund (CSF). Ms. Meza explained the different recommendations for certified employees to qualify for the CSF Plan and the goal to reduce the list.

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

Rob Ross provided legal advice and answered questions.

6. Auction Internal Controls No action required.
- Demetrius Lee
 - Jeff Coleman
 - Peter Hodap

Demetrius Lee, Jeff Coleman and Peter Hodap presented information and responded to committee inquiries. The reasoning for the presentation to the Audit Committee was to introduce the District’s Auction Process; Identify Areas for Improvement; Provide Recommendations and Provide Decision-Makers with Different Alternatives.

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

Rob Ross provided legal advice and answered questions.

7. Auditor General Performance Audit No action required.
- Renee Weatherless

Renee Weatherless reported to the Audit Committee that the Auditor General Performance Audit was still in Draft form and was not able to disclose any information according to the Auditor General’s instructions. Persons can be added to the notification list when it is available. Ann Orricle in the Auditor General’s Office is the contact.

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

Rob Ross provided legal advice and answered questions.

8. Standing Item: Complaints Received via Various Avenues No action required.
• Rob Ross

Rachel Wall stated that no complaints have been received. She commented there is no policy on the committee reviewing complaints periodically.

Persons commenting/asking questions were Rachel Wall, Jimmy Lovelace and Rob Ross.

9. RFP No. 18-53-22 Audit Services – Selection No action required.
• Kevin Startt

Kevin Startt provided information with the two attachments that were provided to the Audit Committee members. Twenty-six vendors were notified, one proposal was received. A recommendation was submitted and will be presented to the Governing Board at the February 13, 2018, Regular Board meeting.

See attachments.

Jimmy Lovelace commented.

10. Meeting Date/Time No action required.

The next scheduled meeting is on Friday, January 26, 2018.

Rachel Wall mentioned the resignation of Charles Andrade and that there are currently openings for two committee members.

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

Items for the February meeting will be; January Minutes of the Audit Committee; RFP Selection; Internal Auditor Update Report including the revision of Policy DIEA; Up-to-date Budget to Actual by Function; Auditor General Performance Audit; Standing Item: Complaints Received via Various Avenues; and review of the Audit Committee Charter. Mr. Ross will provide advice on the Charter.

Persons commenting/asking questions were Jimmy Lovelace and Demetrius Lee. Rob Ross provided legal advice.

ADJOURNMENT – 3:13 p.m.

Jimmy Lovelace
moved approval, Darin
Guthrie seconded.
Approved
Unanimously, in a
voice vote. 3-0.

Approved this 16th day of February, 2018.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By _____
Rachel Wall
Audit Committee Chair

**TIMELINE FOR FINANCIAL 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

TUCSON UNIFIED SCHOOL DISTRICT

PURCHASING DEPARTMENT

November 17, 2017

To Whom It May Concern:

This package contains the Board Agenda Item for award of **RFP 18-53-22 Financial and Compliance Audit Services**. Information within the RFP and best and final offers should remain **Confidential** until Governing Board award. This is in compliance with Arizona Administrative Code R7-2-1045-B, which states:

Proposals and modifications shall be opened publicly at the date, time and place designated in the request for proposals in the presence of one or more witnesses. The name of each offeror and other relevant information deemed appropriate by the school district shall be recorded. The person opening the proposals and all witnesses shall sign the record. All other information contained in the proposals shall be confidential so as to avoid disclosure of contents prejudicial to competing offerors during the evaluation of proposals. Proposals and modifications shall be shown only to school district personnel having a legitimate interest in them or persons assisting the school district in evaluation.

1. The record created in subsection (B) shall be available for public inspection.
2. The proposals shall not be open for public inspection until after a contract is awarded.

If you have questions, please contact Kevin Startt, Director of Purchasing, at 225-6080.