

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

**May 23, 2014  
2:00 p.m.**

**MINUTES**

**Committee Members Present:**

Robert O'Toole, Chair  
J. Thomas House, Co-Chair  
Cliff Altfeld  
Charles M. Kill – arrived at 2:00 p.m.

**Committee Members Absent:**

Jimmy J. Lovelace

**Others Present:**

Michael Hicks, Governing Board Member  
Yousef Awwad, Deputy Superintendent of Operations  
Julie C. Tolleson, General Counsel  
Karla G. Soto, Chief Financial Officer  
Alexis Huicochea, Arizona Daily Star  
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** – Robert O'Toole called the meeting to order at 1:57 p.m.

**CALL TO THE AUDIENCE**

None.

No action required.

**ACTION ITEMS**

1. Approval of February 28, 2014 Minutes

Tom House moved approval. Cliff Altfeld seconded. Approved 3–0. Chuck Kill was not present for the vote. Jimmy Lovelace was not present for the meeting.

2. Approval of March 28, 2014 Minutes

Cliff Altfeld moved approval. Robert O'Toole seconded. Approved 2-0, Tom House abstained. Chuck Kill was not present for the vote. Jimmy Lovelace was not present for the meeting.

**STUDY/ACTION ITEMS**

3. 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 was not present to inform the committee of his questions or concerns on the RFP process that led to the outside legal opinion concerning the Audit Committee Charter.

Tom House asked that the item be deferred to the next scheduled meeting, when Jimmy Lovelace was present.

Persons commenting, asking questions, or providing information were Cliff Altfeld, Chuck Kill, Robert O'Toole, Julie Tolleson and Michael Hicks.

4. RFI No. 72 – Status of Key Control

No action required; discussion only.

Robert O'Toole commented that the committee had asked through an RFI for the number of keys and sites with lack of control. The information was e-mailed to the committee prior to the May 23<sup>rd</sup> Audit Committee for review.

5. Update on ERP Process and District Staff Recommendation

No action required; discussion only.

Yousef Awwad informed the committee that the district was moving forward with a recommendation to the Governing Board for study/action at the May 27, 2014 Governing Board meeting.

Persons commenting, asking questions, or providing information were Cliff Altfeld, Tom House, Chuck Kill, Robert O'Toole and Michael Hicks.

6. Semi-Annual Report to the Governing Board April 15, 2014  
Governing Board Meeting

No action required;  
discussion only.

Robert O'Toole commented to the committee that the semi-annual report went well. He raised the issue suggesting that one or two of the Board members sit on the committee and the committee would change the meeting date and time to accommodate the Board member(s)' schedules. Governing Board member Michael Hicks expressed an interest in attending the next scheduled Audit Committee meeting.

9. District Efficiency Audit Report  
**(Addressed out of the order of business as presented on the agenda.)**

No action required;  
discussion only.

The committee was e-mailed the District Efficiency Audit Report shortly after the report was presented to the Governing Board at the May 13<sup>th</sup> Regular Board meeting.

Tom House commented that last fall the District was going to wait for the results of the Efficiency Audit before hiring an internal auditor.

Michael Hicks stated that the Superintendent was committed to implementing the recommendations from the Efficiency Audit.

Yousef Awwad informed the committee that the district had created committees to strategically plan for both Audits that were recently conducted.

Other persons commenting, asking questions, or providing information were Cliff Altfeld and Chuck Kill.

8. Self Evaluation Forms and Results

No action required;  
discussion only.

Cliff Altfeld informed the committee that he had revised the form and would be e-mailing it to the committee. He has requested the item be moved to the next scheduled meeting.

10. TUSD Audit Results

- CAFR
- Single Audit Report
- USFR Questionnaire

No action required;  
discussion only.

Robert O'Toole asked the committee if there were any questions or concerns since the item had been carried on the agenda for the last few meetings.

Yousef commented.

11. 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

No action required;  
discussion only.

13. Future Agenda Item(s)

Robert O'Toole stated the items that would be on the next scheduled meeting based on discussion of each item throughout the meeting were Items 3, 5, 7, and 8 in addition to the recurring items for each meeting. New items are Status of Internal Auditor and Committee Meeting Calendar.

Tom House requested that under item #11 letter "p" be added to the list with a title of Internal Auditor.

12. Meeting Date/Time

No action required;  
discussion only.

Robert O'Toole requested a meeting schedule for the next school year.

The next scheduled meeting is on June 27, 2014.

7. Recent Monthly Financial Report to the Governing Board – Fiscal Year-to-date Expenditure

No action required; discussion only.

**(Addressed out of the order of business as presented on the agenda.)**

Karla Soto gave an update and answered questions from the Audit Committee on the Financial Report that was presented to the Governing Board during the May 13<sup>th</sup> Regular Board meeting.

Yousef Awwad explained to the committee the carryover for next school year. It was projected and designed ahead of time because the District was aware of the deficit due to the drop in enrollment.

Persons commenting, asking questions, or providing information were Tom House, Chuck Kill, Robert O'Toole, and Michael Hicks.

**MEETING ADJOURNED** 2:57 p.m.

Tom House moved to adjourn. Cliff Altfeld seconded.  
Approved 4–0.

Approved this 26th day of September, 2014.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By \_\_\_\_\_  
J. Thomas House  
Audit Committee Co-Chair