

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

**September 26, 2014  
2:00 p.m.**

**MINUTES**

**Committee Members Present:**

J. Thomas House, Co-Chair  
Cliff Altfeld  
Charles M. Kill  
Jimmy J. Lovelace

**Committee Members Absent:**

None.

**Others Present:**

Karla G. Soto, Chief Financial Officer  
Scott Morrison, Director of Project Management  
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** – J. Thomas House called the meeting to order at 2:05 p.m.

**CALL TO THE AUDIENCE**

None.

No action required.

## **STUDY/ACTION ITEMS**

8. Update on ERP Process and District Staff Recommendation  
**(Addressed out of the order of business as presented on the agenda.)**

No action required;  
discussion only.

Scott Morrison provided the committee with the presentation that was presented to the Board during the September 9, 2014, Regular Board Meeting. He gave in-depth updated information on the ERP High Level Implementation Plan which included a detailed timeline. He commented that Renee LaChance, who came from Scottsdale, Arizona, was hired as the Project & System Application Manager and has experience with PeopleSoft and Lawson.

Tom House requested from Scott Morrison that he give the committee a monthly report like he like does for the Governing Board.

Karla Soto answered the committee's questions or concerns regarding the financial portion of the ERP.

Persons commenting, asking questions, or providing information were Cliff Altfeld, Chuck Kill, and Jimmy Lovelace.

9. Recent Monthly Financial Report to the Governing Board – Fiscal Year-to-date Expenditure  
10. Budget Status and Projections  
**(Items addressed together.)**

No action required;  
discussion only.

Tom House commented that the Governing Board received monthly updates during the Regular Board Meetings. Karla Soto agreed but since the start of the new school year monthly updates haven't been reported to the Governing Board dues to the number of job vacancies.

Karla Soto reported that she is in the process of reviewing the projections for School Year 2015-2016 that former Deputy Superintendent Yousef Awwad created. She also mentioned that the position would not be replaced. Ms. Soto commented that at the October 28<sup>th</sup> Regular Board meeting she would be presenting the Budget Status and Projections for School Year 2015-2016.

Jimmy Lovelace commented that he or Chuck Kill would like to meet with Karla Soto and Heinfeld, Meech & Co. regarding the audits.

11. The Property Tax Levies for the Current Fiscal Year

No action required;  
discussion only.

Tom House stated that he had received his property taxes and under the TUSD taxes it showed a negative amount. Karla Soto addressed his questions.

Persons commenting, asking questions, or providing information were Cliff Altfeld, Chuck Kill, Jimmy Lovelace and Mary Alice Wallace.

7. Asset Inventory and Control

No action required;  
discussion only.

Karla Soto informed the committee that the asset inventory and control reports were being prepared and should be ready in about 3-4 months. The amount for assets is currently \$5,000, the minimum for USFR but lower listing for the items that have a warranty.

Persons commenting, asking questions, or providing information were Tom House and Jimmy Lovelace.

**ACTION ITEM**

1. Approval of May 23, 2014 Minutes

Cliff Altfeld moved approval. Chuck Kill seconded. Approved 3–1, Jimmy Lovelace Abstained.

**INFORMATION ITEMS**

2. The Resignation of Robert O'Toole

No action required,  
discussion only.

Tom House commented to the committee that he received an e-mail from Mr. O'Toole giving him the reason for his resignation.

Persons commenting, asking questions, or providing information were Chuck Kill and Mary Alice Wallace.

3. Replacement of Committee Member to the Audit Committee

No action required,  
discussion only.

Mary Alice Wallace reported to the committee that the appointment of a committee member to the Audit Committee is scheduled for the October 14, 2014 Regular Board Meeting.

Persons commenting, asking questions, or providing information were Tom House and Chuck Kill.

4. The Resignation of Yousef Awwad

Item not addressed.

**STUDY/ACTION ITEMS**

5. Election of Chair and Co-Chair

Cliff Altfeld nominated Tom House for Chair. Tom House accepted.

Cliff Altfeld moved the nomination and Chuck Kill seconded. Approved, Unanimously.

Cliff Altfeld nominated Jimmy Lovelace for Co-Chair. Jimmy Lovelace accepted.

Cliff Altfeld moved the nomination and Chuck Kill seconded. Approved Unanimously.

Persons commenting, were Tom House, Chuck Kill and Jimmy Lovelace.

6. Semi-Annual Report to the Governing Board October 14, 2014 Governing Board Meeting

No action required; discussion only.

Tom House informed the committee that he would submit the semi-annual report and present it to the Governing Board during the Regular Governing Board meeting on October 14, 2014. He stated he would send a draft to the committee for review and/or revisions.

12. 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 reminded the committee that advice by District Legal Counsel had been raised at prior committee meeting.

Cliff Altfeld suggested to the committee that they put in a request to the Governing Board to authorize Legal Counsel to counsel the Audit Committee on the charter.

Tom House stated he would include this request in the Semi-Annual Report to the Board.

Chuck Kill commented.

13. Proposal for an Internal Auditor in Tucson Unified School District No action required; discussion only.

Mary Alice Wallace informed the committee that an item for a proposal for an Internal Auditor was on the September 9<sup>th</sup> Regular Board meeting agenda but no action was taken. The Governing Board President moved approval but it died for lack of a second.

14. Self Evaluation Forms and Results

Item has been postponed to the next scheduled Audit Committee meeting.

15. District Efficiency Audit Report No action required.

Tom House asked the committee if they had any questions that weren't addressed from the last meeting and suggested leaving it on the agenda for one more meeting.

Cliff Altfeld commented that the report was over 500 pages and not enough of it was automated

16. Committee Calendar Schedule for 2014-2015

Meeting Schedule/Discussion of 2014-2015 Calendar

October 24, 2014	April 24, 2015
November 21, 2014	May 22, 2015
December 19, 2014	June 26, 2015
January 23, 2015	July, 2015 – No Meeting Scheduled
February 20, 2015	August 28, 2015
March 27, 2015	September 25, 2015

Cliff Altfeld moved approval. Chuck Kill seconded. Approved Unanimously.

All Audit Committee meetings are scheduled for 2:00 p.m. on Fridays.

Cliff Altfeld moved approval of the schedule with the Chair reserving the right to adjust the schedule.

17. 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.

Tom House was unclear why certain items were listed.

Cliff Altfeld answered as former Audit Committee Chair, he had these as continuing items in the event the committee wanted to discuss or comment on any of them.

18. Meeting Date/Time

No action required;  
discussion only.

The next scheduled meeting is on October 24, 2014.

19. Future Agenda Item(s)

No action required;  
discussion only.

Jimmy Lovelace commented that he received a call from one of the lawyers from Heinfeld Meech & Co. that they were supposed to attend the September 26 Audit Committee meeting but the meeting had been cancelled. It was clarified that Heinfeld Meech & Co. had never been on the agenda for September 26.

No new items were added for the next scheduled meeting. Most of the items will carry forward.

**MEETING ADJOURNED** 3:58 p.m.

Jimmy Lovelace  
moved to adjourn. Cliff  
Altfeld seconded.  
Approved 4–0.

Approved this 21<sup>st</sup> day of November, 2014.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By \_\_\_\_\_  
Jimmy Lovelace  
Audit Committee Co-Chair