

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

**October 28, 2016
2:00 p.m.**

MINUTES

Committee Members Present:

Ricky Hernandez, Chair
Charles Andrade
Karla Soto, Chief Financial Officer, Ex-Officio
Victoria Soto
Rachel Wall – *via phone until 2:36 p.m.*

Committee Members Not Present:

Lori K. M. Cox, Co-Chair
Adelita S. Grijalva, Governing Board President, Ex-Officio

Others Present:

Dr. Bill Dean – *via phone*
Todd Jaeger, General Counsel, Legal Services
Renee La Chance, Director of Employment, Human Resources
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 – 2:14 p.m.

CALL TO THE AUDIENCE

There were no persons wishing to speak.

No action required.

ACTION ITEM

1. September 22, 2016 Minutes

Charles Andrade
moved approval,
Victoria Soto
seconded. Approved
unanimously in a voice
vote. 4 – 0.

STUDY/ACTION ITEMS

2. "Draft" Committee Calendar Schedule for 2016-2017 to include deliverables/due dates from External Audit No action required.

Karla Soto provided the committee with deliverables/due dates from External Auditor. Calendar will be updated with dates and given to the committee at the next scheduled meeting.

Ricky Hernandez stated that the District has been selected for a Performance Audit. The Performance Audit will take nine months. Also, he requested a standing update during Audit Committee meetings. An initial review of the CAFR will be on November 18th.

Karla Soto added that during one of the meetings it was suggested the District have periodic meetings.

Todd Jaeger provided legal advice.

Charles Andrade also commented.

6. Protocol/Process for Audit Committee Complaints No action required, discussion only.
- Todd Jaeger

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

Todd Jaeger discussed the process and procedure that were established regarding Governing Board Policy BDFB – Audit Committee Complaint Procedures. The Audit Committee Chair, or whichever member of the Audit Committee first receives a complaint, shall first discuss the complaint with one other Audit Committee member, and may then discuss the issue with the external auditors, with any TUSD internal auditor or other appropriate TUSD staff member, set the matter on the TUSD Audit Committee agenda, refer the matter to the Governing Board, or take other actions as appropriate.

Ricky Hernandez commented that he placed the item on the agenda since a few complaints have been received.

Charles Andrade commented.

8. Update Status on Internal Auditor
- Dr. Bill Dean

No action required.

Dr. Bill Dean reviewed via phone the applicant's qualifications, discussed two long conversations he had with the applicant, covered references, and gave his personal opinion.

Persons commenting/asking questions were Renee La Chance, Ricky Hernandez and Victoria Soto.

ACTION ITEM

MOTION AND VOTE TO RECESS AUDIT COMMITTEE MEETING TO EXECUTIVE SESSION

Charles Andrade moved approval to recess Audit Committee meeting to go into Executive Session, Victoria Soto seconded. Approved unanimously in a voice vote. 3 – 0.

9. Schedule an executive meeting at this time to consider the following matters:
- A. Personnel issues pursuant to A.R.S. §38-431.03 (A)(1); legal advice/instruction to attorney pursuant to A.R.S. §38-431.03 (A)(3) and (A)(4)
 - 1) Internal Auditor Interview

RECESS AUDIT COMMITTEE MEETING – 3:16 p.m.

ACTION ITEM

MOTION AND VOTE TO ADJOURN EXECUTIVE MEETING AND RECONVENE OR ADJOURN AUDIT COMMITTEE MEETING

Charles Andrade moved approval to Adjourn Executive meeting and reconvene Audit Committee meeting, Victoria Soto seconded. Approved unanimously in a voice vote. 3 – 0.

STUDY/ACTION ITEMS

7. Audit Committee Report of September 27, 2016 to the Governing Board No action required.

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

Ricky Hernandez commented that Governing Board Member Michael Hicks had requested at a Board meeting that an agenda item be scheduled regarding an update on the status on the Internal Auditor position. He provided a report on his presentation.

The following items were not addressed and will be moved to the November 18, 2016 meeting.

3. Update on Annual Financial Report approved by the Board on October 6, 2016
4. Discussion on Prop. 301 Budget and Cash Balances
5. Committee Membership Allowed by Charter

10. Proposed Agenda Items and/or Additional RFI's and Future Agenda Items

No action required.

Internal Control Issues

- a. USFR Compliance – Questionnaire Comments
- b. Accounting Records
- c. Cash Handling
- d. Capital Assets Control
- e. Expenditures
- f. Procurement
- g. Payroll
- h. Monthly Financial Reports
- i. Student Attendance Reporting
- j. Student Accounts
- 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
- p. Internal Auditor Status

Items that would be on the next scheduled meeting based on discussion of each item throughout the meeting were the recurring items for each meeting.

New item(s) for the November meeting will be; TUSD Average Daily Membership Audit Report, FY 13, FY 14 and FY 15, Cycle 4 Title I Audit and Available Components to CAFR.

11. Meeting Date/Time

Next scheduled meeting is on Friday, November 18, 2016.

ADJOURNMENT – 4:10 p.m.

Victoria Soto moved approval, Charles Andrade seconded. Approved unanimously in a voice vote. 3 – 0.

Approved this 18th day of November, 2016.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By _____
Ricky Hernandez
Audit Committee Chair