

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

**June 23, 2017
2:00 p.m.**

MINUTES

Committee Members Present:

Rachel Wall, Chair
Jimmy Lovelace, Co-Chair
Charles Andrade
Darin Guthrie
Charles Kill
Karla Soto, Chief Financial Officer, Ex-Officio

Committee Members Not Present:

Victoria Soto

Others Present:

Corey Arvizu, CPA, Heinfeld, Meech & Co., P.C.
Demetrius Lee, Internal Auditor
Scott Morrison, Chief Technology Officer
Renee Weatherless, Director, Financial Services
Michael Cota, Financial Systems Analyst, Technology Services
Mike Dunn, Financial Systems Analyst, Technology Services
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.

CALL TO THE AUDIENCE

Audit Committee Chair, Rachel Wall read the protocol for CTA.
Persons who spoke at Call to the Audience were: Lillian Fox re: Referenced not submitting confidential complaint through internet, State Funding, Over payments and unappropriated raises for Senior Administration; Pilar Ruiz re: Calendar Issues, Desegregation, 301 Receipts and Internal Auditor; Mark Stegeman re: Welcome to the two new Audit Committee members and provided updated information from Board Agenda Item – Charge to Audit Committee; Pilar Ruiz re: Call to the Audience speaking time.

No action required.

Audit Committee Chair, Rachel Wall asked if committee members wanted to respond to Call to the Audience.

There were none.

INFORMATION ITEMS

1. Introduction of New Committee Members – Darin Guthrie and Charles Kill No action required.

Rachel Wall introduced Darin Guthrie and Charles Kill to committee members.

Darin Guthrie and Charles Kill briefly described their background experience and their reasons for volunteering on the committee.

Jimmy Lovelace and Charles Andrade commented.

2. Introduction of Internal Auditor – Demetrius Lee No action required.

Rachel Wall introduced Demetrius Lee to committee members.

Demetrius Lee briefly described his background, experience and shared his ideas regarding the position of Internal Auditor.

ACTION ITEMS

3. April 28, 2017 Minutes No action required.
4. May 19, 2017 Minutes

Unavailable at this time.

STUDY/ACTION ITEMS

5. Audit Calendar for Review No action required.
 - Heinfeld, Meech & Co.

Corey Arvizu provided the Audit Committee the Audit Calendar that Heinfeld, Meech & Co. and TUSD use throughout the fiscal year. He briefly covered the various deadlines and what is entailed to complete each deadline for the district as well as Heinfeld, Meech & Co. He also answered the committee's questions and concerns.

Persons commenting/asking questions were Jimmy Lovelace, Karla Soto, Charles Andrade, Chuck Kill, Rachel Wall, Darin Guthrie and Demetrius Lee.

6. Examination of Expenditure on Desegregation for FY 2015-2016 No action required.
- Heinfeld, Meech & Co.

Corey Arvizu explained the process of the Examination of Expenditure for the Desegregation funds. An examination was conducted and it included examining, on a test basis, evidence supporting the amounts and disclosures in the report and other procedures that were considered necessary in the circumstances. He also answered the committee's questions and concerns.

Persons commenting/asking questions were Karla Soto, Jimmy Lovelace, Darin Guthrie, Demetrius Lee, and Rachel Wall.

7. ERP Implementation Update No action required.
- Scott Morrison
 - Michael Cota
 - Mike Dunn

Michael Cota explained to the committee that the District was in the second year in the ERP Implementation for the following models Payroll, Human Resources, General Ledger and Accounts Payable. Between Michael Cota and Mike Dunn, they further explained the process in the system for each implementation. Scott Morrison, Michael Cota and Mike Dunn presented and answered questions and concerns.

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

8. Fiscal Year 2016-2017 Budget Update No action required.
- Renee Weatherless

The Audit Committee reviewed the monthly budget update that Renee Weatherless presented to the Governing Board during the May 23, 2017 Special Board meeting. Renee Weatherless also answered the committee's questions and concerns.

Persons commenting/asking questions were Darin Guthrie, Demetrius Lee, Karla Soto, Jimmy Lovelace, Chuck Kill, Charles Andrade and Rachel Wall.

9. Charter for Internal Auditor Position, Independent Statement, Potential Audit Policies, Discussions with Senior Leadership – Draft
• Demetrius Lee
- No action required.

Demetrius Lee presented to the Audit Committee the Charter for the Internal Auditor position, the Independent Statement, Potential Audit Policies and his discussions with Senior Leadership when meeting with them on a one-on-one basis. He requested the committee review and submit to him any suggestions on the draft documents he provided.

Persons commenting/asking questions were Chuck Kill, Darin Guthrie, Jimmy Lovelace, Rachel Wall and Karla Soto.

10. Call to the Audience – Speaking Time Limit

The committee approved to change the speaking time limit from two minutes to three minutes.

Darin Guthrie commented.

Jimmy Lovelace moved approval, Charles Andrade seconded. Approved unanimously in a voice vote. 5 – 0.

11. Semi-Annual Report to the Governing Board at the July 27, 2017 Special Board Meeting – Draft Report
• Rachel Wall
- No action required.

Ms. Wall presented her “Draft” Semi-Annual report that she will be presenting to the Governing Board at the July 27, 2017 Special Board meeting. She requested the committee e-mail her any corrections or additions to the report.

Persons commenting/asking questions were Jimmy Lovelace, Charles Andrade, Darin Guthrie, Rachel Wall, Chuck Kill, Demetrius Lee, Karla Soto and Renee Weatherless.

INFORMATION ITEM

12. Single Audit Report, Notification Letter from Arizona Department of Health Services
- No action required.

Rachel Wall informed the Audit Committee that in their meeting packet was a copy of a letter from the Arizona Department of Health Services. The letter was a Single Audit Report, Notification Letter regarding Health Services Federal Awards Program funded by the agency. The results were sufficiently complete and properly prepared.

STUDY/ACTION ITEMS

13. Meeting Date/Time

No action required.

Next scheduled meeting is on Friday, August 25, 2017.

Darin Guthrie stated that he will not be able to attend the August 25, 2017, because he will be out of town on vacation, it was scheduled before he was appointed to the Audit Committee.

Persons commenting/asking questions were Jimmy Lovelace and Charles Andrade.

14. Future Agenda Item(s)

No action required.

New Items for the August meeting will be; Auditor General Audit, Budget Actual for 2017 Update, Prop 301 Synopsis Update and "Draft Committee Calendar Schedule for 2017-2018 to include deliverables/due dates from External Audit.

Persons commenting/asking questions were Demetrius Lee and Jimmy Lovelace.

ACTION ITEM

MOTION AND VOTE TO RECESS AUDIT COMMITTEE MEETING TO EXECUTIVE SESSION
AUDIT COMMITTEE MEETING RECESSED TO EXECUTIVE SESSION – 3:53 p.m.

Jimmy Lovelace moved approval, Charles Andrade seconded. Approved unanimously in a voice vote. 5 – 0.

15. Schedule an executive meeting at this time to consider the following matters:

- A. Consideration of records exempt by law from public inspection pursuant to A.R.S. §38-431.03 Subsections (A)(2)
 - 1. Confidential Complaint regarding use of 301 funds

RECESS AUDIT COMMITTEE MEETING – 4:11 p.m.

ACTION ITEM

MOTION AND VOTE TO ADJOURN EXECUTIVE MEETING AND RECONVENE COMMITTEE MEETING

Jimmy Lovelace moved approval, Charles Andrade seconded. Approved unanimously in a voice vote. 5 – 0.

ADJOURNMENT – 4:12 p.m.

Jimmy Lovelace moved approval, Charles Andrade seconded. Approved unanimously in a voice vote. 5 – 0.

Approved this 25th day of August, 2017.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By _____
Rachel Wall
Audit Committee Chair