

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

**August 24, 2012
2:00 p.m.**

MINUTES

Committee Members Present:

Cliff Altfeld, Chair
Charles M. Kill
Jimmy J. Lovelace
Robert O'Toole, Co-Chair

Committee Members Absent:

Jeffrey Abbott

Others Present:

Yousef Awwad, Chief Financial Officer, Financial Services
Mary Alice Wallace, Director of Staff Services to the Governing Board
Michele C. Gutierrez, Senior Staff Assistant I to the Governing Board
Mark Stegeman, Governing Board Member
Josh Brodsky, Arizona Daily Star

ITEM

ACTION

MEETING CALLED TO ORDER – Cliff Altfeld called the meeting to order at 2:07 p.m.

CALL TO THE AUDIENCE

No members of the public requested to speak.

No action required.

ACTION ITEMS

1. Approval of June 29, 2012 Minutes

Jimmy Lovelace moved approval. Chuck Kill seconded.
Approved 3-0.
Robert O'Toole abstained and Jeffrey Abbott was not present at the meeting.

Mr. Altfeld indicated he would combine numbers 2, 3 and 4 since Mr. Awwad had limited time to participate with the committee. At Mr. Awwad's request, Mr. Altfeld will collaborate with him concerning the Audit Committee agenda.

STUDY/ACTION ITEMS

- | | |
|-------------------------------------------------------------------------------------------|--------------------------------------|
| 3. Communicating Committee Internal Control Concerns with Board, Superintendent and Staff | No Action Required, discussion only. |
| 4. ERP Status and Milestones and Monthly Reports | |

Cliff Altfeld went over the letter that was submitted to the Governing Board President regarding Internal Control Issues.

Topics discussed were:

ERP
Internal Auditor
Asset Management Audit
Payroll

Mr. Awwad will send information to the Committee on:

District responses to CAFR
47 Business Processes
GAN Report

Other persons commenting, asking questions, or providing information were Cliff Altfeld, Chuck Kill, Jimmy Lovelace, Robert O'Toole and Yousef Awwad.

5. Monthly Budget Update

No Action Required, discussion only.

Robert O'Toole commented that the committee has not received budget reports or updated information following a Governing Board meeting.

Subsequent to Mr. Awwad's departure, discussion continued regarding:

- District organization
- Communication with the Superintendent and Board
- Budget concerns. Mr. Altfeld will contact Yousef Awwad regarding the status of budget expenditures

Other persons commenting, asking questions, or providing information were Cliff Altfeld, Chuck Kill, Jimmy Lovelace and Robert O'Toole.

6. Review and Discussion of USFR Compliance Questionnaire for FY Ended June 30, 2011 No Action Required, discussion only.

Jimmy Lovelace informed the committee that he and Adrienne Sanchez met with Heinfeld, Meech & Co. to go over the timeline of audits deadlines that Adrienne had created. They discussed meeting again in September or October. Heinfeld Meech & Co appreciated the calendar the Finance Department put together.

Robert O'Toole commented that he wants to make sure that the committee receives the responses for number 10 on the CAFR and will submit an RFI on the after-the-fact purchases. Other topics discussed were:

- Internal and external Auditors
- Asset Management

Other persons commenting, asking questions, or providing information were Cliff Altfeld, Chuck Kill, Jimmy Lovelace and Robert O'Toole.

7. Coordination with Outside Auditors – Jimmy Lovelace No Action Required, discussion only.
- USFR Compliance 2010
 - USFR Compliance June 30 for 2011

Item was covered in #6.

2. RFI #58 – Information on Student Fund Raising Activities Magee Middle School No Action Required, discussion only.

Robert O'Toole commented that the committee should reply to the Superintendent that the information was inadequate and would like to ask that specific detailed answers to the questions asked be provided. Mrs. Wallace will send a follow up to the response.

Other persons commenting, asking questions, or providing information were Cliff Altfeld, Chuck Kill, Jimmy Lovelace, Robert O'Toole and Yousef Awwad.

8. Proposed Agenda Items and/or Additional RFI's
 - a. USFR Compliance
 - b. Accounting Records
 - c. Cash
 - d. Capital Assets
 - e. Expenditures
 - f. Procurement
 - g. Payroll
 - h. Financial Reports
 - i. Student Attendance Reporting
 - j. Students Accounts – Soon
 - k. Auditor General Internal Controls

No Action Required,
discussion only.

No items were added.

Other persons commenting, asking questions, or providing information were Cliff Altfeld, Chuck Kill, Jimmy Lovelace and Robert O'Toole.

9. Meeting Date/Time

No Action Required,
discussion only.

The next scheduled Audit Committee meeting is September 28, 2012.

Other persons commenting, asking questions, or providing information were Cliff Altfeld, Chuck Kill, Jimmy Lovelace and Robert O'Toole.

10. Future Agenda Item(s)

No Action Required,
discussion only.

Robert O'Toole stated that he would prepare a new RFI on After-the-fact Purchases.

Chuck Kill asked for clarification when the current contract for the external auditors ends. Mrs. Wallace will send information to the committee.

Mr. Abbott's membership status was discussed. Mr. Altfeld will contact him.

Other persons commenting, asking questions, or providing information were Cliff Altfeld, Chuck Kill, Jimmy Lovelace and Robert O'Toole.

MEETING ADJOURNED 3:56 p.m.

Jimmy Lovelace moved approval. Chuck Kill seconded.
Approved 4-0.

Approved this 28th day of September, 2012.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By _____
Clifford Altfeld
Audit Committee Chair

mcg
08-24-12 Audit Committee/Minutes