

**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 22, 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

**Committee Members Not Present:**

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

**Others Present:**

Anna Maiden, Chief Human Resources Officer, Human Resources  
Kevin Startt, Director, Purchasing  
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**

There were no persons wishing to speak.

No action required.

**ACTION ITEM**

1. August 26, 2016 Minutes

Rachel Wall moved approval, Ricky Hernandez seconded. Approved unanimously in a voice vote. 4 – 0.

## **STUDY/ACTION ITEMS**

2. Purchasing Quote Verification Process No action required.
- Kevin Startt

Kevin Startt explained Purchasing's Quote Verification Process to the committee. He went over the handouts such as the Policy Code DJ – Purchasing Procedures, Written Quote Summary form, sample Written Quote Summary and the memo to Heinfeld, Meech, & Co. regarding Purchasing Response to Preliminary Audit Exceptions.

Persons commenting/asking questions were Ricky Hernandez, Karla Soto and Charles Andrade.

3. Semi-Annual Report to the Governing Board at the June 28 Special Board Meeting No action required.
- Charles Andrade

Charles Andrade reported to the committee that his report to the Governing Board went well. He reiterated to the Board, the committee's commitment and responsibilities are taken seriously especially the process of interviewing potential applicants for the Internal Auditor position.

Ricky Hernandez commented.

4. "Draft" Committee Calendar Schedule for 2016-2017 to include deliverables/due dates from External Audit Charles Andrade moved approval, Victoria Soto seconded. Approved unanimously in a voice vote. 4 – 0.
- |                   |                             |
|-------------------|-----------------------------|
| October 28, 2016  | April 28, 2017              |
| November 18, 2016 | May 19, 2017                |
| December 16, 2016 | June 23, 2017               |
| January 27, 2017  | July – No Meeting Scheduled |
| February 17, 2017 | August 25, 2017             |
| March 17, 2017    | September 22, 2017          |

Ricky Hernandez asked if everyone had a chance to review the Calendar Schedule and if there was any questions, concerns or changes to be made.

It was decided the December 23<sup>rd</sup> meeting would be changed to December 16<sup>th</sup>, because December 23<sup>rd</sup> is the last working day for the District before going on Winter Break. The May meeting was changed to May 19<sup>th</sup> to avoid the Memorial Day holiday weekend.

Other persons commenting/asking questions were Charles Andrade, and Karla Soto.

5. Update Status on Internal Auditor

No action required.

- Anna Maiden
- Dr. Bill Dean

Dr. Bill Dean gave details on the status of the Internal Auditor position. There were twenty-eight applications; he narrowed it down to three applicants. Of the three applicants, one withdrew because he enjoyed travelling with his current job; the second applicant withdrew because she had gotten a new job already so that left only one qualified applicant to interview. Two more applicants were submitted but did not have the minimum qualifications. Dr. Dean shared his thoughts and comments from communicating with the third applicant.

Anna Maiden spoke with the applicant as well to explain the interview process and to setup the interview.

Persons commenting/asking questions were Ricky Hernandez, Victoria Soto and Charles Andrade.

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, Rachel Wall seconded. Approved unanimously in a voice vote. 4 – 0.

6. 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

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. 4 – 0.

Charles Andrade moved approval to recommend the applicant to the Governing Board for the Internal Auditor position. Victoria Soto seconded. Approved unanimously in a voice vote. 4-0

STUDY/ACTION ITEMS

7. Discussion to present report regarding Internal Auditor Status to Board on September 27, 2016 Special Board meeting

No action required.

Ricky Hernandez commented that Governing Board Member Michael Hicks requested at a Board meeting that an agenda item be placed regarding an update status on the Internal Auditor position.

Ricky Hernandez will give an update on the status of the Internal Auditor position to the Governing Board at the September 27, 2016 Special Board meeting as well as submit a summary to Mary Alice Wallace to attach to the agenda item.

Other persons commenting/asking questions were Charles Andrade and Victoria Soto.

8. 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.

Items postponed to the next scheduled Audit Committee meeting – Discussion on Prop. 301 Budget and Cash Balances.

New item(s) for the October meeting will be Membership of committee member from five to seven members per Audit Committee Charter; Update on Financial Report;

9. Meeting Date/Time

Next scheduled meeting is on Friday, October 28, 2016.

ADJOURNMENT – 3:47 p.m.

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

Approved this 28<sup>th</sup> day of October, 2016.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By \_\_\_\_\_  
Ricky Hernandez  
Audit Committee Chair