

**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 25, 2015  
2:00 p.m.**

**MINUTES**

**Committee Members Present:**

Charlie Andrade, Chair  
Todd Anderson, Co-Chair  
Lori K. M. Cox – participated via phone until 2:14 p.m.  
Adelita S. Grijalva, Governing Board President – arr. 2:05 p.m. left @ 3:10 p.m.  
Ricky Hernandez  
Karla Soto, Chief Financial Officer  
Bill Tong

**Committee Members Not Present:**

None.

**Others Present:**

Dr. H. T. Sánchez, Superintendent – arr. 2:05 p.m. left @ 3:18 p.m.  
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** – Charles Andrade called the meeting to order at 2:02 p.m.

## **ACTION ITEM**

### 1. Election of Chair and Co-Chair

Ricky Hernandez nominated himself for Chair, seconded by Karla Soto.

The first motion Failed 3-3 (Roll Call Vote). Todd Anderson, Charles Andrade and Bill Tong voted no. Lori Cox was not present to vote.

In a substitute motion Bill Tong nominated Charles Andrade for Chair, seconded by Todd Anderson. Charles Andrade accepted.

The substitute motion was Approved 6-0 in a voice vote. Lori Cox was not present to vote.

Todd Anderson nominated Bill Tong for Co-Chair, seconded by Adelita S. Grijalva. Bill Tong accepted.

Approved 6-0 in a voice vote. Lori Cox was not present to vote.

Previous to the voting for Chair, Committee members discussed rules of parliamentary procedure concerning election of officers.

Persons commenting, asking questions, or providing information were Karla Soto, Bill Tong, Adelita S. Grijalva, Todd Anderson, Charlie Andrade, Lori Cox and Ricky Hernandez. Also commenting was Dr. Sánchez.

## **INFORMATION ITEM**

### 2. Welcome New Committees Member to the Audit Committee

- Todd Anderson

No action required.

Todd Anderson, introduced himself, stated his occupation and described his relationship with Tucson Unified School District.

## **CALL TO THE AUDIENCE**

There were no persons wishing to speak.

No action required.

## **ACTION ITEM**

### 3. August 28, 2015 Minutes

Ricky Hernandez moved approval, Todd Anderson seconded. Approved 6-0 in a voice vote. Lori Cox was not present for the vote.

## **STUDY/ACTION ITEMS**

4. Comments by Superintendent, Dr. H. T. Sánchez
5. Update on Internal Auditor Position

Dr. Sánchez requested the committee address items 4 and 5 together.

Dr. Sánchez updated the committee on the Internal Auditor position that is currently posted on the TUSD website and other various websites. He indicated no applications from viable candidates had been received. He encouraged committee members to provide names and phone numbers of potential applicants to Human Resources by e-mailing them to Mary Alice Wallace.

Dr. Sánchez recommended increasing the starting salary, and after discussion, the committee voted to approve changing the posting to increase the starting salary to \$75,000, negotiable depending on experience.

Dr. Sánchez commented that having an Internal Auditor will be critical if the Governing Board elects to go out for a Bond Election.

Todd Anderson suggested Robert Half Company as a resource to advertise the position.

Ms. Grijalva indicated she would not participate in the reviews and interview process in order to avoid the perception of a Conflict of Interest since the Governing Board will be voting to appoint the Internal Auditor.

Other persons commenting, asking questions, or providing information were Ricky Hernandez and Charlie Andrade.

6. Calendar of Events for Finance – USFR, Questionnaire Comments, Annual Single Audit Reporting, etc.
  - Karla Soto

Todd Anderson moved approval, Bill Tong seconded. Approved 5-0 in a voice vote. Adelita S. Grijalva abstained. Lori Cox was not present for the vote.

No action required; discussion only.

Karla Soto presented the information on the Calendar of Events for the Finance Department. She explained the different reports that are due such as the Annual Financial Report, Comprehensive Annual Financial Report and Expenditure Budget adopted and approved by the Governing Board. She furthered explained in detail the reports and who receives them.

Dr. Sánchez suggested setting up a meeting with Heinfeld, Meech & Co.

Item #6 Continued

Karla Soto will invite Heinfeld, Meech & Co. to the November 20, 2015, Audit Committee meeting.

Other persons commenting, asking questions, or providing information were Ricky Hernandez, Charlie Andrade, Todd Anderson and Adelita S. Grijalva.

7. Engagement Schedule for External Auditor
- Karla Soto

No action required; discussion only.

Karla Soto addressed the handout she created for the Audit Committee. She added that Heinfeld, Meech & Co. was in year 2 of the 5-year Governing Board approved RFP. Before the external auditors began their audits at the school sites, a team of 3 people went out to every school to train and review the process in place. As of now, there are only 5 findings compared to the dozen from last year.

Other persons commenting, asking questions, or providing information were Charlie Andrade and Todd Anderson.

8. Discussion of Audit Committee Charter

Todd Anderson moved approval, Ricky Hernandez seconded. Approved 5-0 in a voice vote. Adelita S. Grijalva and Lori Cox were not present to vote.

Charlie Andrade commented that from the previous Audit Committee meeting there was a concern regarding the committee participation on a RFP process. He pointed out that it should be stated in the charter.

Dr. Sánchez clarified to the committee that any of them can serve on a RFP process because of their expertise.

Adelita S. Grijalva stated that participation on a Governing Board appointed committee is valuable. She expressed her opinion that the Board member representative should be Ex-Officio (non-voting), to avoid the perception of a Conflict of Interest, since the Governing Board will be voting on Audit Committee recommendations at Governing Board meetings.

Dr. Sánchez recommended that the committee make a recommendation to the Governing Board to request revisions to the Charter.

Item #8 Continued

The Audit Committee voted on the following recommendations for revisions of the Charter to the Governing Board, with Dr. Sánchez submitting the recommendations to the Governing Board. They are: The Board representative shall be Ex-Officio (non-voting); increase the membership to six community members to retain an odd number of voting members (will be seven including the Chief Financial Officer); and include permission for individual Audit Committee members to be allowed to serve on RFP review committees for their particular expertise.

Other persons commenting, asking questions, or providing information were Charlie Andrade, Ricky Hernandez, Bill Tong and Todd Anderson.

9. Committee Calendar Schedule for 2015-2016

Meeting Schedule/Discussion of 2015-2016 Calendar

October 23, 2015	April 22, 2016
November 20, 2015	May 27, 2016
December 18, 2015	June 24, 2016
January 22, 2016	July, 2016 – No Meeting Scheduled
February 19, 2016	August 26, 2016
March 18, 2016	September 23, 2016

Todd Anderson moved approval, Ricky Hernandez seconded. Approved 6-0 in a voice vote. Lori Cox was not present for the vote.

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

Following the vote on the calendar, Mr. Anderson inquired concerning the meetings being on Friday.

Committee members commenting Ricky Hernandez, Todd Anderson, Bill Tong and Charlie Andrade.

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

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 items are Heinfeld, Meech & Co, Discussion of the Proposed Revision of the Audit Committee Charter, Reconsideration of the Committee Calendar Schedule for 2015-2016 and Semi-Annual Report to the Governing Board at the December 18, 2015 Governing Board Meeting.

11. Meeting Date/Time

Ricky Hernandez and Karla Soto stated that they would not be able to attend the meeting on October 23<sup>rd</sup> meeting. The committee voted to cancel the October 23<sup>rd</sup> scheduled Audit Committee meeting.

Bill Tong moved approval, Todd Anderson seconded. Approved 5-0 in a voice vote. Adelita S. Grijalva and Lori Cox not present to vote.

The next meeting will be on Friday, November 20, 2015.

ADJOURNMENT – 3:24 p.m.

Ricky Hernandez moved approval, Bill Tong seconded. Approved 5-0 in a voice vote. Adelita S. Grijalva and Lori Cox not present to vote.

Approved this 20<sup>th</sup> day of November, 2015.

TUSD GOVERNING BOARD AUDIT COMMITTEE

By \_\_\_\_\_

Charles Andrade  
Audit Committee Chair

**Governing Board Audit Committee Meeting Minutes  
September 25, 2015 2:00 p.m.**