

AUDIT SUB-COMMITTEE MEETING  
SWEETWATER UNION HIGH SCHOOL DISTRICT  
BOARD OF TRUSTEES

ADOPTED MINUTES

12:00 p.m.

December 12, 2013

Board: Jim Cartmill	•Bertha J. López	• John McCann	• Pearl Quiñones	•Arlie N. Ricasa
Superintendent: Edward M. Brand	•Student Board Representative: Janan Salaam			

Order of Business

I. CALL TO ORDER

President Cartmill called the meeting of the Audit Subcommittee to order at 12:05 p.m. In attendance were Jim Cartmill, board president, and Arlie N. Ricasa, board member. Also in attendance were Karen Michel, interim chief financial officer, and Frances Martinez, district auditor.

II. PUBLIC COMMUNICATION

None.

III. ITEMS FOR DISCUSSION

Ms. Michel addressed the Audit Subcommittee and shared the following items being addressed: Final Audit Committee Charter, Review of List of Special Audits, and a review of the Financial Audit Findings.

1. Final Audit Committee Charter

Ms. Martinez shared that the charter had been addressed at a previous meeting and is now being provided in final format. Member Ricasa stated that the charter will be brought to the board for public review and final approval. Once approved, it will be placed on the district website.

2. List of Special Audits

Ms. Michel shared the following with relationship to unscheduled special audits for the 2013-2014 Fiscal Year:

- IRS Prop O Audit - Began October 2012. Letter from IRS indicated this is a routine audit process conducted to determine compliance with federal tax requirements. We are currently awaiting the report from the IRS.

Ms. Michel stated the IRS conducts audits the third year of a proposition to determine that they are in compliance with tax regulations. As such, Prop BB has previously been audited.

- IRS "L" Street Audit - This is an audit of our Variable Rate Demand Bonds that are held by Plan Nine Partners. We, as an obligated Payee, are a part of the audit. Commenced September 2013. The IRS indicated that this is a routine audit process conducted to determine compliance with federal tax requirements. This audit is ongoing.

- Food Services Audit by State of California - This audit was completed in November. What prompted this audit was an audit conducted of several larger districts in the state. State auditors' findings showed some expenditures were not in compliance with the food services fund and so chose to audit additional districts in the state, at which time the district was randomly selected.
- Unscheduled Audits for Internal Auditor - Ms. Martinez shared that outside of her regularly scheduled audits, there have been three special investigative audits which have been completed. These audits were financial in nature and areas of concern have been corrected. Ms. Michel added that part of the internal auditor's responsibilities is to address high risk areas dealing with cash control.

There was public communication with regards to this item.

### 3. Review of Financial Audit Findings

Ms. Martinez discussed the draft of the responses to the financial audit findings. The external auditor will be providing their final updates on Monday.

President Cartmill stated that the Audit Subcommittee Charter will be available on the district web site. Additionally, copies were provided to the community members present.

Ms. Michel shared that the assistant superintendent of human resources, Sandra Huevo, has offered to attend any future meetings in the event human resources information is requested.

Member Ricasa stated that Audit Subcommittee items will be placed on the district web site so that they are easily accessible.

### IV. ADJOURNMENT

The meeting was adjourned at 12:18 p.m.

Approved: \_\_\_\_\_



Deanne Vicedo  
Clerk of the Board