

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

12:00 p.m

September 26, 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

Jim Cartmill, board president, called the meeting of the Audit Sub-Committee to order at 12:05 p.m. Also in attendance were Arlie N. Ricasa, board vice-president, Al Alt, chief finance officer, and Frances Martinez, district auditor.

II. PUBLIC COMMUNICATION

None.

III. ITEMS FOR DISCUSSION

Dr. Alt initiated the meeting by providing a recap of the previous meeting suggesting the purpose of the committee was twofold:

- Develop a succinct review of annual and special audits
- Establishing a plan to address audit findings

1. Audit Committee Charter

Frances Martinez provided a draft Audit Subcommittee charter based on district policy and regulation which included the Audit Committee's responsibility.

Frances Martinez reviewed the draft charter and shared that it includes the following:

- The role of the Audit Subcommittee, which is to provide advice and assistance with external and internal audits.
- The annual membership.
- Operating principles, i.e., how often the committee meets, which is once a quarter, and quarterly meetings have been established. Agendas are posted prior to the meetings.
- The committee can review or revise the charter throughout the year.

Frances Martinez handed out a draft of the Internal Audit Goals and Objectives, as well as a draft of the internal audit plan.

Dr. Alt mentioned that there are special request audits that are not always handled through the Internal Auditor. These include IRS, Department of Labor, and State Auditors. Ms. Ricasa requested that a list of all special audits be provided to the Audit Subcommittee.

Dr. Alt discussed the option of having one audit firm or multiple audit firms conduct the District Financial Audit, Bond Financial Audit and the Performance Audit. The Audit Subcommittee approved the use of one audit firm for all audits.

2. Preliminary External Audit Findings

Ms. Martinez provided a summary of the preliminary audit findings and shared that auditors will be back on October 21st:

- Cash receipts: Cash receipts indicate we are using the district clearing account inappropriately.
- District Disbursements: Auditors state that the practice of "Direct Pays" circumvents prior approval as well as goes against Education Code.
- Payroll and personnel: The auditors feel that employees in excess of 40 days of vacation pose a liability for the district.
- Cafeteria finding is similar to the Revolving Cash Fund issue.
- State Compliance: A public hearing regarding instructional materials must be held within eight weeks from the start of school but was not done.
- ASBs: The findings for ASBs are based on a sampling of ASBs and are very common.
- Timeliness of Deposits: The finding was as a result of a deposit received before a school break. A section of the required forms were not completed properly.
- Student Council Meeting Minutes: Documents for required student council meetings to approve expenditures was not accurate.
- Non-compliant sales: Legislation states you have to wait 30 minutes after school or 30 minutes before school to sell beverages however in one specific case, a school was not compliant.

3. 2013-2014 Audit Plan

Ms. Martinez provided a handout of the 2013-2014 Audit Plan.

4. December Meeting Agenda Items

The December 12, 2013, Audit Subcommittee agenda will focus on the following:

Audit findings
Review the list of Special Audits

IV. ADJOURNMENT

The meeting was adjourned at 12:56 p.m.

Approved: _____



Deanne Vicedo
Clerk of the Board