

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

ADOPTED MINUTES

4:00 p.m.

August 6, 2014

Board:	•Mark Anderson	•Susan Hartley	• Sharon C. Jones	• John McCann	•Lyn Neylon
Interim Superintendent:	Timothy D. Glover		•Student Board Representative: Isaiah Charles		

Order of Business

I. CALL TO ORDER

President McCann called the meeting of the Audit Subcommittee to order at 4:13 p.m. In attendance were John McCann, board president, and Susan Hartley, board vice president. Also in attendance were Timothy D. Glover, interim superintendent, Karen Michel, 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 discussed: Final Audit Committee Charter, Update on External Audits, and the Internal Audit Plan.

1. Audit Committee Charter

Ms. Michel shared that the 2014-2015 Audit Committee Charter was board-approved at the June 30, 2014, board meeting and has been posted on the district website.

2. Update on External Audits

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

- IRS Prop O Audit - Completed and determination letter indicating bonds retain their tax-exempt status was received and shared with the CBOC as well as posted on the Prop O website. IRS procedural concerns have been addressed and changes implemented. IRS indicated this is a routine audit process and the district was randomly selected.
- IRS "L" Street Audit - This is an audit of the Variable Rate Demand Bonds. This audit commenced September 2013. The IRS indicated that this is a routine audit process as well. The district has complied with the requests from the IRS and is anticipating its determination.
- Ms. Martinez stated that outside of her regularly scheduled audits, occasionally unscheduled audits occur.

Ms. Hartley requested Ms. Michel provide a report regarding the IRS audits at the August 21, 2014, board meeting.

- Ms. Michel provided an update on the progress of the required external audit of the district finances. External auditors are required to submit their final report by December 15. The report will be presented to the board of trustees at the January 2015, board meeting.
- The status of the ASB audits was discussed as well as some ASB procedures. Our ASBs are comparative to high schools within San Diego City Schools, and findings are similar in nature.
- Ms. Hartley and Mr. McCann recommended the external auditors as well as our internal auditor be present at the January meeting to answer any questions by the board of trustees. Additionally it was requested to have the ASB audit findings at the January meeting as well.

### 3. Internal Audit Plan

Ms. Martinez provided a copy of the 2014-2015 Internal Audit Department Goals and Objectives and discussed the annual Prop O financial & performance audits and their timelines.

- Auditor for the Financial Audit of Prop O is Vavrinek, Trine, Day & Co., LLP.
- Auditor for Performance Audit of Prop O will be determined after the November RFP.
- Both Financial and Performance Audits are due March 31, 2015.
- 2012-2013 Prop O financial audit had no findings.
- 2012-2013 Prop O performance audit had positive observations.

Ms. Martinez discussed that the focus of her responsibilities mainly lie with ASBs, attendance, and residency, which are all ongoing. Occasionally she is asked to conduct a special audit such as the cafeteria audit in 2011.

Additionally noted is that our ASBs participated in a Fiscal Crisis & Management Assistance Team ("FCMAT") training in June. ASB staff as well as students attended. The FCMAT representative was impressed and had positive remarks on our ASB manuals, which were modeled after FCMAT manuals. An advanced training is being considered for second semester.

Mr. McCann inquired regarding ASB findings. Ms. Martinez shared that there have been findings. This is part of the audit process and something the internal auditor looks for when conducting her review of each ASB. ASB administrators and staff do reach out for direction and guidance from the internal auditor.

Additional discussion ensued regarding school fees, fundraising and ASBs.

IV. ADJOURNMENT

The meeting was adjourned at 4:55 p.m.

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



Deanne Vicedo  
Clerk of the Board