

AUDIT SUBCOMMITTEE MEETING
SWEETWATER UNION HIGH SCHOOL DISTRICT
BOARD OF TRUSTEES
ADOPTED MINUTES

9:00 a.m.

August 15, 2015

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|-----------------|---|----------------|-------------------|----------------|---------------------|
| Board: | •Paula Hall | •Kevin J. Pike | • Nicholas Segura | • Arturo Solis | •Frank A. Tarantino |
| Superintendent: | Karen Janney •Student Board Representative: Viviana Reyes | | | | |

Order of Business

I. CALL TO ORDER

Member Solis called the meeting of the Audit Subcommittee to order at 9:07 a.m. In attendance were Paula Hall, board member; Karen Michel, chief financial officer; and Frances Martinez, district auditor. Also in attendance were Karen Janney, district superintendent, and Michael Ammermon, CPA, CFE.

II. PUBLIC COMMUNICATION

Kathleen Cheers requested that the Audit Committee Charter and By Laws be amended to include members of the community.

III. ITEMS FOR DISCUSSION

1. FCMAT Presentation on ASB Accounting

Michael Ammermon, CPA, CFE, provided an in depth presentation on ASBs, "What Every Governing Board and Audit Committee Should Know." Mr. Ammermon has worked with the Fiscal Crisis & Management Assistance Team ("FCMAT"), and is the co-author of the FCMAT ASB manual which is highly recommended for all school districts. The following are highlights from the presentation:

Everything ASB the governing board is responsible for. Everything ASB flows through the governing board and the governing board can choose to make the decisions and review documentation or have a designee. Typically the school site principal becomes the designee.

It is important that ASBs are aware of District Policy, because District Policy applies to ASBs.

The SUHSD district has its own ASB Accounting Manual as well as uses the FCMAT Manual. This is highly recommended and exactly what FCMAT supports.

Prior to July 1 ASBs should all have submitted a budget. This can be prepared in February or March and is considered an estimate. This teaches students what a budget means. New leadership in July can amend budget.

2. Audit Committee Charter

Ms. Hall recommended the charter and By Laws' operating principles and membership be revised to include external and internal audit plan as well as membership to include two additional members.

Ms. Hall also recommended the role of the Audit Subcommittee be expanded to include Finance, and have a resolution and board policy brought back referencing this change. Furthermore, Ms. Hall recommended the Facilities Subcommittee be moved to the drop down menu of the board website.

Ms. Hall stated the role of audit and finance committee will include reporting be done in a transparent way so that the board can make informed decisions and provide online reports for staff and community to see.

3. Proposed Audit Work Plan

Ms. Hall recommended the Proposed Audit Work Plan be amended to reflect the internal auditor's role as auditing and reviewing not planning.

Ms. Hall requested the internal auditor keep the committee apprised of any reviews taking place so that the committee has the information in advance to any finding or final report.

4. Audits and Compliance Monitoring

Ms. Hall recommended a thorough monitoring of budget plans to be reviewed quarterly so that goals and visions can be adjusted accordingly in the event of any drawbacks or need to focus on more resources in an effort to meet goals.

5. Reports Provided to Board

Ms. Hall provided copies of financial reports she would like to see provided monthly. Ms. Hall requested that in the event an expert is presenting a report such as the Actuarial report, that staff first provide a presentation explaining terms and numbers, stating that this will provide clarity to the board.

Dr. Janney recommended principal training on budgets and finance reports as well as budget analysts meet with principals to review budgets.

Ms. Hall recommended the bylaws and charter be revised, reviewed by general counsel and brought back for board approval.

Ms. Hall recommended finance staff participate in training to understand the role of ASB.

Ms. Martinez stated that the Internal Audit Department is revising the ASB manual as well which will include Mr. Ammermom's

suggestions. Ms. Martinez also stated that Mr. Ammermon is providing an additional training for high school ASBs.

Ms. Hall requested a consideration be made to pull athletics out of ASBs.

Ms. Michel mentioned that recent changes with ASBs and what they can charge for has chipped away at their resources. Ms. Hall stated the district needs to review policies and procedures on ASBs to provide clarity on what the board deems appropriate.

Ms. Michel suggested having Mr. Ammermon provide a prototype where other districts have taken athletics out of ASBs and how they are structured.

IV. ADJOURNMENT

The meeting was adjourned at 11:02 a.m.

Approved: 

Deanne Vicedo
Clerk of the Board