



Marne Foster  
President

John Lee Evans  
Vice President

Richard Barrera  
Trustee

Kevin Beiser  
Trustee

Michael McQuary  
Trustee

AUDIT AND FINANCE COMMITTEE  
Education Center Conference Room 2249  
January 21, 2015  
MINUTES

Members Present: McAllister, Wright, Harvey, Foster

Members Absent: Beiser

Staff Present: Donovan, Cashmon, Hanby

Public Present: Sally Smith

1. Meeting called to order (McAllister)	McAllister called meeting to order at 4:17 p.m. with Trustee Beiser absent. Introduce new committee member, Trustee Marne Foster.
2. Public Comment	Sally Smith provided an email from a La Jolla Elementary parent concerned about the use of the school facility for a Farmer’s Market on weekends.  <b>ACTION:</b> The committee has asked Legal to look into the facilities use procedure and clarify the relationship between foundations and the District. Determine where funds actually belong that are generated by efforts of foundations.
3. Approval of Minutes (McAllister)	Approval of minutes for September 24, 2014 and November 19, 2014, regular meetings and December 3, 2014 special meeting have been tabled for approval at the March meeting.
4. Ongoing Audits Update (Donovan)	A list of ongoing audits was provided to the committee. Audit #2 on list, Food Services Audit, accounting discrepancies due to improper documentation for workers in the Food Services program down from \$31million to \$10million. No dispute that the work was done but not properly documented.  <b>ACTION:</b> Early Childhood Education report at next meeting regarding audit.  <b>ACTION:</b> Request update on the STRS Audit.  <b>ACTION:</b> Update regarding new State mandated environmental regulations regarding waste water recovery and recapture.  On sale of property, statute put into place a few years ago that continues to roll over that revenue can be used for one time general fund purposes that does not create an ongoing liability.

5. Internal Audit Quarterly Report (Cashmon)	<p>In the past nine months 85 reports have been received by the hotline and 19 cases have been closed.</p> <p><b>ACTION:</b> Provide update to committee on hotline promotion at next meeting.</p> <p>Priority of audits determined by: health or safety issue; significant/major issue; quick response. Schools chosen for audits based on last time audited or if a repeat offender.</p> <p>ASB funds are trust funds and ultimate responsibility lies with the site principal. Financial Clerks manage the ASB audits at the site.</p> <p><b>ACTION:</b> Policy/Procedure regarding Financial Clerks for further discussion. Look at best practices and reporting structure. Should Finance Clerks be a mandatory position at each site?</p> <p><b>ACTION:</b> Explore possibility of a cash handling seminar in conjunction with Wells Fargo for the ASB Treasurers and Advisors.</p>
6. Internal Audit Work Plan (Cashmon)	<p>Provided a six month audit plan based on a risk assessment to determine how many audits can be completed in that time period. Need for more staff in Internal Audit to complete a higher percentage of audits. Hotline calls related to personnel are forwarded to HR.</p>
7. Audit Committee Charter (Wright)	<p>Wright provided a draft charter for review and discussion by the committee. Before the next meeting the committee members will review the draft and send their comments to Melissa Hudson to compile for discussion and action.</p> <p><b>ACTION:</b> Bring back to next meeting for further discussion and possible action after Legal review.</p>
8. Roundtable	<p>Provide a mid-year report from the Committee to the Board in June.</p>
Adjournment	<p>5:32 p.m.</p>

A regular meeting of the Audit and Finance Committee will be held March 25, 2015, 4:00 p.m., Room 2249.

MAH