



SAN DIEGO UNIFIED SCHOOL DISTRICT

EUGENE BRUCKER EDUCATION CENTER ♦
4100 Normal Street, San Diego, CA 92103-2682 ♦

AUDIT AND FINANCE COMMITTEE
Education Center Conference Room 2249
February 23, 2005
MINUTES

Members Present: McAllister, Wright, de Beck, Stein Members Absent: Nakamura

Staff Present: Patterson, Niehaus, Phillpott, Parzen, Palkowitz, Leighton

Others Present: Linda Saddlemire, Nailah Madyun – Vicenti, Lloyd & Stutzman

1. Approval of December 8, 2004 Minutes	Motion to approve by Wright, seconded by de Beck, approved unanimously.
2. Amendment to Agreement with Vicenti, Lloyd and Stutzman to increase the scope of pupil attendance testing	Patterson reported that on 2/8/05 the district asked for Board approval of an additional payment to Vicenti, Lloyd & Stutzman (VLS) for \$5,300.00. In the process of conducting the external audit it was discovered that two of the school sites selected for attendance testing did not have the supporting documentation available for the auditors to adequately audit attendance. The auditors believe they can perform alternative and analytical audit procedures to gather the information necessary to form an opinion as to whether ADA is fairly stated. The time to complete the additional services is estimated at 40 hours. In an effort to meet the current audit completion timeline it was necessary for the staff to take this to the Board for approval prior to today's Audit and Finance Committee Meeting.
3. Status Report on 2003-2004 Audit	Saddlemire and Madyun of VLS reported on the status of the 2003-2004 audit and provided an estimated timeline for completion. If the district is able to provide the necessary documentation, the audit is on track to be completed by the end of March 2005 and should be ready to be presented to the Board by April 12, 2005. Wright questioned whether the district and auditors would be able to meet the April timeline. McAllister stated that it is critical that the deadline be met since the audit is already late for FY03-04 and was produced at an even later date for FY02-03. Stein asked if the auditors were able to provide additional staff

	<p>assistance to complete the GASB34 documents. The committee agreed by consensus that the auditors and staff must do what ever needs to be done to complete the audit by the current timeline. Motion: made by de Beck and seconded by Wright, Recommend to the Board that the district direct any resources necessary to complete the GASB34 form in order to meet the March 4, 2005 deadline and the April 12, 2005 Board Meeting. Approved by consensus.</p>
4. District Budget Update	<p>Patterson is going to propose that the Board set aside the first Board meeting of every month for 2005-2006 budget development. The district is experiencing declining student enrollment and incurring a small amount of deficit spending. The committee discussed sources of revenue and district expenses. Patterson stated that staff is working to identify options for the board to consider to bring resources and allocations in line. The members of the committee advised staff to prepare the budget with less than a zero variance and not budget to a deficit.</p>
5. Replacement of Board Member de Beck with Board Member Jackson (3/8/05 BOE Meeting)	<p>Member de Beck informed the committee that he is giving up his seat on the Audit and Finance Committee so that a newly elected board member can participate. At the March 8, 2005 Board Meeting Board Member Shelia Jackson will be recommended for appointment to this committee. Chairman McAllister and the other members of the committee thanked Mr. de Beck for his invaluable contributions and the historical perspective he brought to the committee.</p>
6. CFO Report	<p>Patterson asked Palkowitz and Parzen to report on the status of the National Science Foundation Audit being conducted by the Federal Office of Inspector General. Patterson reported that work on the 04-05 external audit would commence immediately after the conclusion of the 03-04 audit.</p>
7. Roundtable	<p>Niehaus gave an informal report on the activities of the Internal Audit team. The members of the committee again suggested that the district consider</p>

	using one bank as a repository for all school site ASB and other special accounts.
8. Next Meeting Date	A meeting will be scheduled the first week in April – target April 6, 2005 - to review the final audit before it is presented to the Board on April 12 th .

Minutes prepared by Rebecca F. Phillipott, Board Policy Analyst