



**BOARD OF EDUCATION
SAN DIEGO UNIFIED SCHOOL DISTRICT**

DRAFT 3
11/23/05

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AUDIT AND FINANCE COMMITTEE
Education Center Conference Room 2249
August 5, 2005
MINUTES

Members Present: McAllister, Wright, Jackson, Stein, Nakamura
Staff Present: Patterson, Phillipott, Maracle-Sweeney, Leighton, Niehaus, Parzen
Others Present: Carr, Casey, Price, Rayburn, Jarstad, Sussman, Fausset, Flanagan

Meeting called to order	Vice-chair Wright called the meeting to order at 8:30 a.m.
1. Approval of April 22, 2005 minutes	Motion to approve by Jackson, seconded by Nakamura, approved unanimously.
2. Electronic Certification and Record Keeping for Pupil Attendance Accounting (Patterson and Staff)	<p>Patterson presented a proposal asking the State for approval to use e-signatures for pupil attendance with an Electronic Certification and Record Keeping Process. Currently the State requires paper copies of all attendance rosters with real signatures.</p> <p>Wright suggested the assistance of external auditors to show an unbiased view of the District's accounting. This will make it easier for the state to give their approval.</p> <p>Carr advised due to our System Data Security measures we have established in procedure 7039 we can demonstrate a Secure System. Employee usernames and passwords are secure and employees are discouraged from sharing this information. On a daily basis the system is backed up and backup copies of the system are stored at a secure location to ensure system integrity. Only the teacher assigned to a specific class can access the attendance sheet for that class and the entries are time stamped.</p> <p>Rayburn cites Procedure 6166 which places responsibility for administration of the attendance on the site principal.</p>

	<p>The District's Electronic Certification Process is more accurate and secure than the current scan sheet process. This process will eliminate tracking down teachers for signatures, storing of paper, and the possibility of lost data. This new system will allow teachers to devote more time to instruction rather than taking attendance, and will provide a secure and accurate electronic audit trail.</p> <p>McAllister suggested we gain support for the electronic certification from all school districts in San Diego County.</p> <p>Nakamura requested that Patterson report back to the Audit Committee regarding the outcome of the State presentation on August 18, 2005.</p>
<p>3. Progress Report on 2004-2005 Audit (Leighton)</p>	<p>Leighton presented the progress report on the 2004-2005 Audit. According to the task chart presented, as of the meeting date the audit is on track, on time, and on budget.</p> <p>McAllister suggested that the district conduct a transition audit to present Dr. Cohn that outlines our strengths and weaknesses, and areas of improvement. The committee would like to invite Dr. Cohn to the next meeting.</p> <p>Phillpott recommended that the committee forward this idea to the Board for approval.</p>
<p>4. Internal Audit Status Report (Niehaus)</p>	<p>Niehaus presented a summary chart of the Internal Audit's major findings for the period of December 2, 2004 through July 8, 2005. The areas included in the audit are as follows: Time and Labor, Associated Student Body, Information Systems, Special Request, and Special Project Consulting. Responses were received for every finding except the \$41,403 overpayment of Vice Principals due to incorrect pay rate. There was no evidence of fraud in this case simply that the rates were entered incorrectly in PeopleSoft.</p> <p>Niehaus cited a specific case where a school opened an illegal checking account for their</p>

	<p>ASB using the Districts ID number. Nakamura suggested a letter be sent from legal to all area banks inquiring about accounts using the Districts ID number.</p> <p>Niehaus also presented a draft of the proposed Internal Audit plan for July 1, 2005 through June 30, 2006.</p> <p>Motion by Jackson to table the results of the Internal Audit report until the next meeting so that an additional column stating the outcome of each finding can be added, seconded by Nakamura, approved unanimously.</p>
5. Update on 2003-2004 Audit Recommendations (Maracle-Sweeney)	<p>Maracle-Sweeney presented the update on the 2003-2004 Audit Recommendations providing the current status of each recommendation.</p> <p>Patterson stated the Anti-Fraud Audit Briefing will take place on August 17, 2005.</p>
6. Next Meeting	TBD
Adjournment	10:10 a.m.

Minutes prepared by Melissa Mabe, Assistant to the Board of Education