



Shelia Jackson
President

Richard Barrera
Vice President

John de Beck
Trustee

John Lee Evans
Trustee

Katherine Nakamura
Trustee

AUDIT AND FINANCE COMMITTEE
Education Center Conference Room 2249
December 10, 2009
MINUTES

Members Present: McAllister, Wright, Stein, Barrera, Evans
Staff Present: Masias, Macalos, Niehaus, Duran, Palkowitz
Public: Emily Alpert (Voice of San Diego), Sally Smith (parent)

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| 1. Meeting called to order (McAllister) | Chair McAllister called the meeting to order at 9:00 a.m. |
| 2. PUBLIC COMMENT | Sally Smith discussed the recommendation from the BRACE analysis to remove the fraud hotline. Requested a monthly review of schools staying within budget. The Board currently requires a quarterly fiscal update. |
| 3. Approval of Minutes | MOTION: Approve Minutes of Regular Meeting September 10, 2009, Special Meeting November 17, 2009; approved unanimously. |
| 4. Review Letter to Board re: 2008-09 External Audit Report (McAllister) | McAllister recommended noting the committee's opposition to the removal of the fraud hotline in the letter. MOTION: Approve content of letter to be presented to the Board on December 11, 2009; approved unanimously. |
| 5. Discussion of Finding #2009-9 Personnel Time Accounting for Federal Programs (Masias/Macalos) | Macalos advised this finding was revised and is now considered immaterial. No questioned costs. The Federal Programs office is working with mandated cost tracking and the Budget Department is coordinating with Internal Audit to ensure proper reporting. |
| 6. Committee Reappointments (McAllister) | MOTION: Recommend to the Board the of reappointment of Bill Wright, Lisa Stein, and Richard Barrera for a 2-year term, January 1, 2010 through December 31, 2011; approved unanimously. |
| 7. Committee Charter (McAllister/Masias) | The Committee serves as an outside, independent advisory group to oversee the audit process for the Board of Education; not policy makers. Budget oversight does not fall within the Scope of Duties. ACTION: A draft of the revised Charter will be presented at the next Committee meeting. |

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| <p>8. Hotline Update (Niehaus/Duran)</p> | <p>Niehaus advised Internal Audit is working on a new advertising campaign for the Hotline. The Hotline is currently open to the public as well as staff.</p> <p>The Committee does not agree with the recommendation from the BRACE analysis to make cuts to the Hotline. This is a valuable tool to help save the District money.</p> <p>ACTION: Provide a copy of the BRACE analysis to the Committee members.</p> <p>MOTION: Recommend to the Board to keep the Hotline in place; approved unanimously.</p> |
| <p>9. Discussion of Foundation Funded Teachers (Palkowitz)</p> | <p>Palkowitz advised the current status is pending. A draft dated 12/1/09 of the Guidelines for Schools Foundations hiring employees and contracting with vendors was provided to the Committee members for review.</p> <p>ACTION: Follow-up with appropriate staff and bring forward at the next meeting.</p> |
| <p>10. Discussion of the Added Cost Every Year for Charter Schools/Cost Recovery (Masias)</p> | <p>Masias advised 4 new charter schools proposed to open during the 2010-11 school year.</p> <p>How are we re-cooping the costs? Palkowitz stated the District has more oversight of the “Arm-of-the-District” charters. All new charters are “Independent Entity” but the District still has oversight.</p> <p>ACTION: Add to next agenda; discussion of total costs.</p> |
| <p>11. Roundtable</p> | <p>ACTION: McAllister requested a list of missing inventory from the cold storage facility. Is this a contractor issue?</p> |
| <p>Adjournment</p> | <p>10:18 a.m.</p> |

The next meeting of the Audit and Finance Committee will be held in April 8, 2010, 9:00 a.m. in Room 2226.

MAH