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SAN DIEGO UNIFIED SCHOOL DISTRICT
Eugene Brucker Education Center Auditorium
4100 Normal Street, San Diego, CA 92103
Proposition S School Bond
Independent Citizens' Oversight Committee

JOINT MEETING OF PROP. S ICOC AND DISTRICT STAFF FOR RECEIPT OF 2008-09 AUDIT REPORTS
AUDIT SUBCOMMITTEE
Monday, March 1, 2010, 4:30 p.m.

MINUTES

Subcommittee Members: Gordon, Hillegas, Spathas, Spehn, Stump **ICOC Support:** Champy, Goshorn,
District Staff: Brown, Harris, Markey, Splittgerber, Watts
District Noticed: F&A Committee, Treasurer Macias, Niehaus

AGENDA ITEMS	ASSIGNMENTS/UNDERSTANDINGS
Meeting Called to Order: (Stump)	Chair Stump called the meeting to order at 4:30 p.m.
Roll Call to establish a Quorum: (Champy) (Action)	Subcommittee Members in attendance: J. Gordon, G. Hillegas, M. Spathas (excused), D. Spehn (excused), J. Stump Other ICOC Members in attendance: G. Johnson ICOC Support Staff: A. Champy, L. Goshorn District Staff: C. Brown, G. Harris, S. Markey, J. Splittgerber, J. Watts, A. Niehaus External Auditor: Nigro, Nigro & White (H. Daud, J. Hawley, C. White)
Public Testimony No action or discussion may occur regarding public comment on matters not on the agenda. Items may be referred to staff for placement on a future agenda. Public testimony is limited to 3 minutes per person.	Public Testimony requests are to be given to the meeting clerk prior to the start of the meeting or beginning of Agenda item discussion. Written materials will become part of ICOC record. Please provide 15 copies for record and committee
1. Approval of Audit Subcommittee Minutes and Meeting Notes for 02-08-11-10 (Stump) (Exhibit) (Action) (2 minutes)	Trailed to next Audit SC Meeting 03-08-10
2. Joint receipt of Proposition S 2008-09 District Audits (Nigro, Nigro & White) 2.1. Performance Report Presentation (Exhibit) (Action) 2.2. Financial Report Presentation (Exhibit) (Action) Exhibit External Auditor Questions	Editing notes on the draft Performance Audit and draft Financial Audit are attached.
3. Begin Development of Audit Subcommittee recommendations after review of District Audit Presentations (Goshorn) (Action)	Trailed to next Audit SC Meeting 03-08-10
4. Begin discussion of additional Audit work necessary (Goshorn) (Exhibit) (Action) 4.1. Ballot Extract 4.2. Yellow Book Extract 4.3. Audit Planning Table	Trailed to next Audit SC Meeting 03-08-10
5. Adjournment (Action) Next Meeting: March 8, 2010, at 4:30 p.m. in the Eugene Brucker Education Center Auditorium, 4100 Normal Street, San Diego, CA 92103	Meeting adjourned at 5:47 p.m. to the next meeting date and place stated.

Exhibit: Supplied in the hardcopy packet and posted to the website prior to the meeting.

Handout: Handed out at the meeting, not in the packet nor posted to the website prior to the meeting. [Brown Act requires distribution: 15-copies, one each to committee, staff, public and media.]

ALL Web postings: <http://www.sandi.net/218320721155437390/blank/browse.asp?A=383&BMDRN=2000&BCOB=0&C=56173>

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JWS:ac
03-02-10

DRAFT

MEETING NOTES

Audit Subcommittee Meeting March 1, 2010

Present:

Audit Subcommittee: John Gordon, Glenn Hillegas, John Stump, ICOC Members: Gil Johnson

Nigro Nigro & White Auditors: Heather Daud, James Hawley, Christy White

ICOC Staff: Anny Champy, Larry Goshorn

District Staff: Andra Donovan, Andrea Niehaus, Arthur Hanby, , Chuck Brown, , George Harris, Stu Markey, Joel Splittgerber, Jim Watts

Media: Emily Alpert, Voice of San Diego

NOTES

1. FINANCIAL AUDIT DRAFT (Item # 2.2) (Presented by: Christy White)

• *Page 1 Discussion:*

Question: How do you determine Active? Define ground roles so we can apply it equally.

Suggestion: Insert apparent and published Ed Code compliance category.

Suggestion: Put in parentheses (2009 – 2011 ICOC) above Term Expires and insert Ed. Code Section after “Expires.”

• *Page 5 Discussion:*

Suggestion: Disclose in footnote breakout of interest income, and what the rate was weighted at.

• *Page 13 Discussion:*

Suggestions:

- Use separate table to break out school sites as “elementary” v. “secondary” expenditures of Unified District
- Include subtotal line break of two categories (between Taft Middle School and Program Expenses)
- Include Ed. Code Section (Mr. Stump to give to N, N, & W)

Question: What does unqualified mean compare Financial Audit v. Performance Audit.?

• *Page 16 Discussion:*

Question: How significant of a test is this? (Referring to “Payroll Charges”) number of pay period sample.

• *Page 17 Discussion:*

Question: What does “District Response” refer to?

Answer: District Response refers to the entity.

• *Page 22 Discussion:*

Suggestion:

- Expand more on “District Responses” section. Include proposed language for noticing whistle blower hotline and coordination of IICCO with district Audit structures and processes. Clear statement of process of how the District Audit Committee receives this report.
 - Fraud Hotline: examine hotline, talk with District staff, look at documentation, do site walks

Question: How does ICOC get noticed of the Whistle blower and fraud universe?

2. **PERFORMANCE AUDIT DRAFT**
(Item # 2.1) (Presented by: James Hawley)

- **Page 1: Discussions:**

Suggestion: Quote second paragraph. i.e. As provided in.... “ ...”

- **Page 3: Discussion:**

Question: (last bullet point) Insert “But not limited to,” in-between “including” and “representatives”

- **Page 4: Discussion:**

Suggestions: Do not paraphrase = quote.

- **Page 7: Discussion:**

Suggestion:

- (In 2nd paragraph where it states “for 14 employees out of 45 employees,” modify paragraph to include “payrolls during Audit Period.”
- (Last sentence in last paragraph) include “discussed, but not formally adopted.”

- **Page 11: Discussion:**

Suggestion: After every “District Response” add “and District Agrees”

Question: In reference to The Facilities Planning and Construction Department (FPC), is it management or district response?

- **Page 17: Discussion:**

Suggestions: S. Markey and N, N & W to revise Fraud Hotline and ICOC coordination Section.