AUDIT SUBCOMMITTEE

TIME and DATE: **4:30 p.m., Monday, November 8, 2010**
PLACE: **Eugene Brucker Education Center, Room 2226,** 4100 Normal Street, San Diego, CA 92103

MINUTES

Subcommittee Members: Alvin, Hillegas, Spathas, Spehn, Stump
ICOC Support: Champy, Goshorn
Prop S Staff: Harris
District Invitees: Audit Committee and Audit staff

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**: K. Alvin, G. Hillegas, M. Spathas (absent), D. Spehn (excused), J. Stump **ICOC Support Staff**: A. Champy, L. Goshorn **District Staff:** G. Harris, S. Markey,
Public Testimony	Chair Stump called for public testimony and there was none.
1. Consideration of Audit Subcommittee Minutes for 7-12-10 (Champy) **(Exhibit)** (Action)	**Motion: With corrections mentioned by Mr. Stump (Deleting arrival times and adding the time and location of the next meeting date and place, Mr. Hillegas moved to approve the minutes. Mr. Alvin seconded the motion. The motion carried with no objections or abstentions.**
2. Workshop discussions and consideration of recommendations regarding scope of work for Prop. S audits for 2009-2010 fiscal period (Goshorn) (Action) 2.1. Ballot Extract 2.2. Yellow Book Extract 2.3. White Financial Audit Engagement documents (**Exhibit**) 2.4. Performance Audit Engagement and Scopes (**Exhibit**)	(2.4) Chair Stump had two concerns referring to the 7-12-10 Audit minutes. 1.) Under item #13 of Bond Project Program Management Assessment, Chair Stump preferred that the items be broken down using the language of the Ed. Code. Sustainability, which is not addressed in the Ed. Code, should be addressed separately as a requirement of the bond. 2.) Under "Conduct Performance Audit," there should be a third bullet to say "Test that funds have been expended only on the specific projects listed."
3. Status of 2009-10 Audits, Calendar work plan and White (formerly N, N & W) Schedule for joint receipt of both Performance Audit and Financial Audit (Harris/Goshorn) (**Exhibit**) (action)	No action taken. 6/23/10 Audit Committee came up with a basic framework. 6-30-10 – Memo re: Performance Audit Scope of Work, was written by Stu Markey and forwarded to the ICOC. Mr. Harris: Decision was made to not pursue an RFP but to work with Christy White Accountancy. They signed an engagement letter, which includes the items that came from the June 30, 2010 letter. Along with that, came the

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	Independent Auditors timeline that they would do this work, but they could not meet our goal of completing the Performance Audit work in October. Except to the extent that the items in the Performance that they would be doing would overlap and help inform their Financial Audit. They plan to conduct Performance audit, site walks and large portion of the work are the items listed in the engagement letter. That work is expected to be started in January 2011 and be completed by late January. They plan to have their final reports ready by the end of January 2011 with a draft ready for presentation to the ICOC Audit subcommittee. Ray Rodriguez was hired as an Industry Expert to augment the team on things that are specific to public works in school districts. He is a sub to Christy White.
4. Future Audit Firms Selection Process for 2011+ Audit (RFP/RFQ) (Harris/Goshorn)(action)	Chair Stump suggested the following: 1.) Cross walk to show that we are performing GAGAS standard 2.) George Harris to review the previous audit and communicate in a way to close the loop. 3.) GASB34 4.) MRR 5.) Use our own language regarding targeting zip codes (PSA language)
5. ADJOURNMENT (Action)	Meeting adjourned to the next meeting date and place stated below.

Next Meeting: December 13, 2010, at 4:30 p.m. in the Eugene Brucker Education Center, Room 2226, 4100 Normal Street, San Diego, CA 92103

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11-9-10

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