



Michael McQuary Richard Barrera Kevin Beiser John Lee Evans Sharon Whitehurst-Payne
President Vice President Trustee Trustee Trustee

AUDIT AND FINANCE COMMITTEE
Education Center Conference Room 2249
November 28, 2016
MINUTES

Members Present: McAllister, Harvey, McQuary, Whitehurst-Payne

Members Absent: Ambrosio

Staff Present: Macalos, Cashmon, Koch, Donovan, Hudson, Rayburn, Foster, Dulgeroff, Harris, Matt Nethaway and Arthur Ngo w/ Crowe Horwath

Public Present: Sally Smith

1. Meeting called to order (McAllister)	McAllister called meeting to order at 10:03 a.m. with member Ambrosio absent.
2. Public Comment	Sally Smith questioned why our committee posts audio but the other committees such as ICOC do not. She appreciates the availability of the audio and would like to request the other committees do the same. ACTION: Refer inquiry to staff to consider.
3. Approval of Minutes (McAllister)	MOTION: Approve minutes for September 28, 2016, regular meeting. Approval of minutes moved by McQuary, seconded by Harvey; approved unanimously, with Ambrosio absent.
4. Internal Audit Quarterly Report to the Board (Cashmon)	Staff presented the quarterly internal audit report. 69 hotline complaints have been closed. 50% of calls that come in are considered immaterial. All material issues are addressed immediately.
5. Committee Member Appointment/Reappointment (McAllister)	Both Dan McAllister and Sharon Whitehurst-Payne’s terms will end December 31, 2016. Both McAllister and Whitehurst-Payne are interested in serving an additional 2-year term. MOTION: Reappointment of Dan McAllister to serve a two-year term from January 1, 2017 through December 31, 2018, moved by Harvey, seconded by McQuary; approved unanimously, with McAllister abstaining and Ambrosio absent. MOTION: Reappointment of Sharon Whitehurst-Payne to serve a two-year term from January 1, 2017 through December 31, 2018, moved by Harvey, seconded by McQuary; approved unanimously, with Whitehurst-Payne abstaining and Ambrosio absent.

<p>6. 2015-16 Propositions S and Z Financial and Performance Audits (Crowe-Horwath – External Auditors)</p>	<p>External auditors met with ICOC Audit Subcommittee on November 16, 2016.</p> <p>Financial Audit—Unmodified opinion, no findings, no adjustments.</p> <p>Performance Audit—Met objectives of performance measures, no findings.</p>
<p>7. Review of 2015-16 Draft External Audit Report (Crowe-Horwath – External Auditors)</p>	<p>External auditors presented the draft audit of district’s 2015-16 financial statements. No corrected misstatements for 2015-16 and no communication issues. Charters are audited separately. There are 52 charter schools in the district.</p> <p>ACTION: Discuss charter school oversight at a future meeting. *NOTE: Charters operate independently.</p> <p>The district received an unmodified opinion with 3 total findings; 2 repeat findings from the prior year and 1 new finding. There were no federal findings for the fifth year in a row and no material weaknesses. Out of three prior year (FY 2014-15) findings, one has been fully addressed and solutions implemented.</p> <p>ACTION: Make revisions to draft letter of recommendation to the board for presentation at the December 13, 2016, Board of Education meeting.</p> <p>MOTION: Recommend acceptance of audit by the Board moved by Whitehurst-Payne, seconded by Harvey; approved unanimously, with Ambrosio absent.</p>
<p>8. Roundtable</p>	<p>McAllister thanked staff for their hard work.</p> <p>ACTION: District vs. Charter school fiscal responsibility. Information will be provided to the committee for discussion at a future meeting.</p>
<p>Adjournment</p>	<p>11:21 a.m.</p>

A regular meeting of the Audit and Finance Committee will be scheduled on January 25, 2017.

MAH