

EAST SIDE UNION HIGH SCHOOL
Ad Hoc Board Audit Committee Meeting

Unapproved Minutes

September 3, 2009 @ 4:30 p.m.



I. Roll Call

Members present: Frank Biehl, J. Manuel Herrera,

Staff present: Betty Banderas, Alan Garofalo, Dan Moser

Guests present: Andy Aganad, Bruce Berg, Dan Juchau, David Neighbors, Wendy Stegeman, Jim Zito

II. Selection of Chair

Discussion on the selection for Chairperson for the Ad Hoc committee. J. Herrera nominated Frank Biehl for Chairperson. The vote was unanimous.

III. Approval of Agenda

Agenda review and approved as presented

IV. Open Discussions

Committee Task: F. Biehl reviewed and went over the handouts, which included memo from F. Biehl, subjected; Suggested Initial Task of the Ad Hoc Board Audit Committee, Board Policy 3460, Audit Committee Guide for Public Sector Entities and The Role of Auditing in Public Sector Governance.

Discussed Board Policy 3460. The responsibilities and role of the Audit Committee was reviewed and asked for comments and/or suggestions. Recommendation for the Ad Hoc board Audit Committee initial task reviewed and discussed.

Time Frame: The goal is to permit the Board to appoint the Standing Board Audit Committee at the December 2009 organizational meeting. This will require bringing recommendations to the Board by their November meeting.

W. Stegeman asked if the Board can request an audit on the District. J. Herrera mentioned; what are the factors for the audit request; F. Biehl mentioned; will need input from the Board.

A. Aganad asked if an audit committee existed before. F. Biehl mentioned the District had an internal auditor who reported to the Superintendent. J. Herrera understood that this person was hired as the Internal Auditor for the Bond programs.

Questions to be addressed: Is there a need for an Audit Committee? Is there a need for an Internal Auditor at East Side? Need to look at the options: 1) establish a Standing Audit Committee 2) look at the cost.

F. Biehl feels there is a need for a Standing Audit Committee and would like to get feedback on what the responsibilities would be.

J. Herrera mentioned that we need to know what are the issues and the problems. F. Biehl mentioned 1) creditability; 2) accuracy of the books, 3) is the district transparent. Open Discussion.

D. Moser mentioned the committee will need a mission statement. J. Zito mentioned that the committee would need to set goals and objectives to build trust and creditability. A. Aganad mentioned to refer to page 7, third paragraph of the Audit Committee Guide; Determine that there importance of sound operating ethics and business practices. The Committee will need to have an ethics policy.

B. Berg recommended that the Board Policy be reviewed with recommendations from this committee – no question that this district needs an Audit Committee. W. Stegeman requested to check past FCMAT report that were completed. The Committee could review what some of the issue were and the recommendations.

F. Biehl recommended the establishment of an Ad Hoc Audit Committee – want to review Board Policy 3460 and asked for feedback. Suggestions; That the Audit Committee select an external independent auditor, that the committee will be involved with the internal auditor, that the committee can recommend that the Board authorize an audit.

Discussion on how many people will form the committee, F. Biehl requested feedback. It was suggested if it should be 5 to 7 members, 1 or 2 District Board members. Should professionals with expertise in the field, parents or members in the community be part of this committee? It was decided that there would be 2 District Board members on the committee. J. Herrera requested that this item to be revisited until we survey other districts as to the size of their committees for the same size of this district.

F. Biehl asked that everyone take an opportunity to read the Audit Committee Guide before the next meeting.

V. Next Meeting

The next Ad Hoc Board Committee meeting scheduled for Thursday, September 10, 2009 at 5:30 p.m. at the East Side Union H.S.D Offices at 830 N. Capitol Ave, San Jose in the Superintendent Conference Room.

VI. Adjournment

Frank Biehl adjourned the meeting at 6:05 p.m.

Minutes approved by: