

EAST SIDE UNION HIGH SCHOOL DISTRICT

Minutes of Meeting

Approved

Board Audit Committee

November 29, 2016

6:00 PM

East Side Union High School District

Education Center

Superintendent's Conference Room

830 Capitol Avenue, San Jose, CA 95133-1398

1. Call to Order /Roll Call

The meeting was called to order at 6:04 PM by Chair Pattie Cortese.

Committee members present for roll call:

Chair Cortese, Member Berg, Member Juchau and Alternate Member Stephens

Member Jon Reinke arrived at 6:06 PM.

Vice Chair Le arrived at 6:10 PM.

Staff present:

- *Marcus Battle*
- *Kelly Kwong*
- *Karen Poon*
- *Mary Guillen*

Presenter present:

- *Joyce Peters, External Auditor – VTD*

2. Introductions

Chair Cortese extended a welcome to members of the Audit Committee and audience.

3. Adopt Agenda

There were no changes to the agenda.

4. Special Order of Business

Individuals may be permitted to present an item out of order on the agenda to accommodate their schedules.

5. Public Comments

Members of the public may address the Audit Committee on any subject not on the agenda; however, provisions of the Brown Act (Government Code 54954.2(a) and 54954.3) preclude any action. As a unagendized item, no response is required from the Audit Committee or district staff and no action can be taken; however, the Board may instruct the Chair to agendize the item for a future meeting.

There were no public speakers.

6. Approval of Minutes

Minutes from the August 23, 2016, meeting will be presented for approval.

Motion by Member Berg, second by Member Juchau, to approve the Board Audit Committee Minutes of August 23, 2016, as presented.

Vote: 5/0; motion carries

Chair / Vice Chair

7. Discussion/Action: Updates

Pattie Cortese, Chair, and Van Le, Vice Chair, will provide update.

There were no updates presented under this item.

Senior Manager of Internal Controls

8. Discussion/Action: Cash Handling and Associated Student Body (ASB)

Kelly Kwong, Senior Manager of Internal Controls, will provide an update on ASB matters.

Kelly Kwong, Senior Manager of Internal Controls, shared with the Committee that this is the second year that ASBs are using ASBWorks online, an accounting system. It is going very well. There is more transparency. Access has been granted to a wider audience, including students and club advisors.

9. Discussion/Action: Fraud, Waste and Abuse Hotline

Kelly Kwong, Senior Manager of Internal Controls, will report on the status of the Fraud, Waste and Abuse Hotline.

There have been no reports made since the last Audit Committee meeting.

External Auditor

10. Discussion/Action: Annual Audit 2015-16

Joyce Peters, Partner at Vavrinek, Trine, Day & Co., LLP, will present the following draft reports for the year ended June 30, 2016:

- 10A. Annual Audited Actual Financial Report
- 10B. 2002 Measure G Fund Annual Financial Report and Performance Audit
- 10C. 2008 Measure E Fund Annual Financial Report and Performance Audit
- 10D. 2012 Measure I Fund Annual Financial Report and Performance Audit
- 10E. 2014 Measure I Fund Annual Financial Report and Performance Audit

Joyce Peters, External Auditor, shared with the Committee the 2015-2016 draft annual audits. The deadline for review/edits is December 15, 2016. She indicated that she prefers to receive the edits prior to the December 15 deadline.

Superintendent / Associate Superintendent of Business Services

11. Discussion/Action: Resolution of Request for General Fund Assistance for ASB

Marcus Battle, Associate Superintendent of Business Services, will report on the resolution of the request for the District's general fund to assist with Piedmont Hills High School ASB losses as discussed at the previous Audit Committee meeting on August 23, 2016, Agenda Item 9.

Associate Superintendent Battle shared with the Committee that Administration met with Piedmont Hills High School representatives. They were able to come to an agreed upon resolution: The District has agreed to assume some of the costs as a result of the ASB loss in funds.

12. Discussion/Action: Minority and/or Women Owned Report

Marcus Battle, Associate Superintendent of Business Services, and Andre Bell, Director of Purchasing and Capital Accounting, will present a report on prequalified vendors that are minority and/or woman owned.

Andre Bell, Director of Purchasing and Capital Accounting, made a presentation to the Audit Committee regarding prequalified vendors that are minority and/or woman owned. It was suggested that he make a presentation to the Board of Trustees in January, 2017.

Audit Committee Business

13. Discussion/Action: Audit Committee Charter

Dan Juchau, Member, will present recommendations for changes, if any, to the Audit Committee Charter.

Member Juchau reviewed the Audit Committee Charter. He did not have any recommended changes to the Charter since it had been thoroughly reviewed and edited a year ago.

Member Juchau discussed several parts of the Charter to ensure that the specifications of the Charter are being met. He suggested that the new Audit Chair and Vice Chair, to be appointed by the Board in December, review the Charter with the Senior Manager of Internal Controls during their first scheduled meeting.

14. Discussion/Action: Audit Committee Members – Terms and Appointment Process Review

Audit Committee will review the terms served by each Member, draft vacancy announcement and application.

- 14A. Member Terms
- 14B. Draft Announcement Seeking Applicants
- 14C. Member Application

The member terms, draft vacancy announcement seeking applicants to serve on the Audit Committee and the Member Application was shared with the Committee. The announcement is scheduled to go out within the week.

15. Discussion/Action: Future Meetings

Audit Committee will schedule the next meeting for November or April 4, 2017.

The next Board Audit Committee will be held on April 4, 2017, at 6:00 PM in the ESUHSD Superintendent's Conference Room.

16. Superintendent Communications/Comments

- Chris D. Funk, Superintendent
- Marcus Battle, Associate Superintendent of Business Services

Associate Superintendent Battle announced that the District will be going out to bid for an External Auditor.

17. Audit Committee Member Comments

Individual Audit Committee members may report on programs, conferences, meetings attended and/or items of interest to the public. An Audit Committee member may wish to express a concern or observation about a topic not appearing on the agenda, or request items to be scheduled on a future agenda.

18. Future Agenda Items

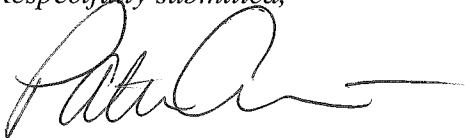
Recurring calendar item:

<i>Item</i>	<i>Date</i>	<i>Submitted By</i>
<i>Appoint Subcommittee to review Charter (Dan Juchau will review and make recommendations)</i>	<i>Fall (annually)</i>	<i>Chair</i>

19. Adjournment

Chair Cortese adjourned the meeting at 7:29 PM.

Respectfully submitted,



*Pattie Cortese
Board Audit Committee Chair*