

Minutes of Meeting

Approved

Board Audit Committee

April 22, 2010

6:00 p.m.

East Side Union High School District Education Center
Superintendent's Conference Room
830 North Capitol Avenue, San Jose, CA 95133-1398

1. Call to Order/Roll Call

Chair Biehl called the meeting to order at 6:04 p.m.. Present were Member Berg, Member Juchau and Alternate Member Resch. Member Neighbors arrived at 6:08 p.m. Vice Chair Nguyen was absent (absence excused). Member Juchau left the meeting at 7:00 p.m. (early departure from meeting excused).

Staff Members in attendance were:

- *Dan Moser*
- *Jerry Kurr*
- *Mary Guillen*

Community members in attendance were:

- *Jon Reinke, CBOC Measure G and Measure E Chairperson*
- *Bob Nuñez, Community Member*

2. Introductions

All persons present introduced themselves.

3. Adopt Agenda

The agenda was adopted as presented with no changes.

Vote: 5/0

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

There were not public comments.

6. Approval of Minutes

Motion by Member Berg, second by Alternate Member Resch, to approve the minutes of the April 3, 2010, Audit Committee meeting as amended:

- *List staff present at meeting*
- *List community members present at meeting*

Vote: 5/0

7. Information Item: Brown Act: Closed Sessions Rules

Dan Moser, Interim Superintendent, will report on his inquiry to the District's Counsel as to how Closed Session rules apply to the Audit Committee.

Interim Superintendent Moser informed the Committee that he is still waiting for a final response on the Board Audit Committee's ability to participate in Closed Session discussions as a Committee. A response to this item will be provided at the next Board Audit Committee meeting.

8. Discussion/Action: Follow-up of the 2008/09 East Side Union High School District Audit Findings: ASB cash collections and disbursements

Ahmad Gharaibeh, External Auditor, will update the Committee on his follow-up to ASB cash collections and disbursements issues identified in the 2008/09 external audit.

External Auditor Ahmad Gharaibeh shared with the Committee that things have improved with regarding to ASB cash collections, but there was one site that did not pass – Piedmont Hills High School. There were several items noted in the findings report, but could be fixed since the school year was not yet over.

Associate Superintendent made note that receipts and other missing items at Piedmont Hills High School have been located and they are working with the auditor to update the records.

He also shared that attendance was tested and discussed the process of attendance being taken in the classroom. He asked that, during the attendance taking process, that teachers select the submit button for the last step in the attendance process. Although, the submit button is not mandatory, it is helpful in ensuring the submission of accurate attendance.

9. Discussion/Action: Proposed Scope of 2009/10 East Side Union High School District Audit

Ahmad Gharaibeh, External Auditor, will outline the proposed scope of the 2009/10 external audit.
Action: Adopt the scope of the 2009/10 external audit.

External Auditor Ahmad Gharaibeh provided the Board Audit Committee a report on the proposed scope of the 2009/2010 external audit.

10. Discussion/Action: FCMAT Report: Update the status of all actions taken in response to the FCMAT Report recommendations

Dan Moser, Interim Superintendent, will review all actions taken by the Board and the administration in response to the recommendations included in the FCMAT Report.

Interim Superintendent Moser provided the Committee an outline of FCMAT's recommendations, the District's responses and an update as to the District's status on the item.

11. Discussion/Action: FCMAT Report: Contracted Services, FCMAT recommendation #6 to the Board: Restore the internal audit function, including funding for an internal auditor position, and operate this function according to industry standards. Issue referred to the Audit Committee for advice per Board action on February 9, 2010.

Dan Moser, Interim Superintendent, will update the Committee on the actions taken by the administration and the Board since our last meeting.

Interim Superintendent indicated that the Internal Auditor job description was submitted to the Board and approved with the exception of two words, departmental activities, which were stricken from the job description. The District will be posting the position as "open until filled."

The Committee asked that the postings be advertised in areas that specifically attract qualified applicants, such as CMFSO and CASBO.

12. Discussion/Action: FCMAT Report: Bond Funds – Contracted Services, FCMAT recommendation #2 to the District: Consider a review of all invoices charged to Measure G and Measure E funds to determine that project costs were properly allocated to each Bond Program.

Issue referred to Audit Committee for advice per Board action on February 9, 2010.

Dan Moser, Interim Superintendent, will update the Committee on the actions taken by the administration and the Board since our last meeting.

Chair Biehl asked the Committee if this item should be included as part of the scope of the current external audit. Concern was expressed regarding the start date of the Internal Auditor and demonstrating to SCCOE on the District's progress on this matter as per FCMAT findings.

Discussion was held on the posting of the Internal Auditor and the role the auditor would have on this particular item.

13. Discussion/Action: Follow-up, Warrants Report Formatting

Jerry Kurr, Associate Superintendent of Administration and Business Services, will provide the Committee with options for the reformatting of the Warrants Report.

Action: Adopt a recommended format for presentation to the Board at the May 6 or 20 meeting

Associate Superintendent provided the Committee two sample warrants report formats:

- *By warrant number*
- *By account number*

Chair Biehl indicated his preference of the report by warrant number. He found the "purpose" line very helpful. He asked that the report be sorted by object code.

Associate Superintendent Kurr will have Director Poon sort the report by object code and that the "purpose" be included in the report. A sample report will be sent to the Committee, via e-mail, for their review and will be discussed at the next meeting.

- 14. Discussion/Action: Travel reimbursement, advances and credit card documentation policies**
Dan Moser, Interim Superintendent, will provide the Committee with copies of the Board Policies and Administrative Regulations that govern employee and Board Member expense reimbursement.

Interim Superintendent Moser shared with the Committee current policies on travel, reimbursements, advances and credit card documentation:

- *Administrative Regulation #3350: Travel/Conference Expenses*
- *Board Policy #3350: Travel Expenses*
- *Board By Law #9250: Remuneration, Reimbursements and Other Benefits*

Member Berg requested that the District consider including in the Policy, "no receipt, no reimbursement."

Associate Superintendent Kurr informed the Committee that this process is being followed, but it is not included in Board Policy.

Chair Biehl requested District Administration to revisit Board Policy to include this as part of Board Policy.

This item will be brought back to the next meeting for further discussion.

15. Discussion/Action: E-RATE Reimbursement for 2008

This is an opportunity for discussion and possible action in response to the E-RATE reimbursement issue brought before the Committee by Dennis Barbata during Public Comments at the April 3, 2010, meeting.

Interim Superintendent Moser shared with the Committee that Director Barbata researched the delay on the 2008 E-RATE reimbursement. E-RATE informed him that the delay was due to a letter they received and there were three areas currently under review.

16. Discussion/Action: Establish Next Meeting Date

The next meeting will be early/mid June. Graduation dates will be kept in mind as the next meeting date is scheduled.

17. Superintendent Communications/Comments

- Associate Superintendent of Business Services and Administration, Jerry Kurr
Associate Superintendent Kurr shared cash flow information with the Committee.
- Interim Superintendent, Dan Moser
Nothing to report.

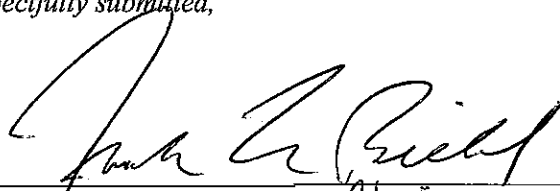
18. **Audit Committee Member Comments**

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.

19. **Adjournment**

Chair Biehl adjourned the meeting at 8:21 p.m.

Respectfully submitted,



Board Audit Committee Member Chair