

EAST SIDE UNION HIGH SCHOOL DISTRICT

Ad Hoc Board Audit Committee

September 10, 2009

5:30 p.m.

Superintendent's Conference Room

Unapproved Minutes of Meeting

1. Roll Call

The meeting was called to order at 5:30 p.m.

Members present: Frank Biehl and J. Manuel Herrera

Staff present: Dan Moser, Jerry Kurr, Alan Garofalo and Mary Guillen

*Guests present: Andy Aganad, Bruce Berg, David J. Neighbors,
Wendy Stegeman and Jim Zito*

2. Approval of Agenda

The agenda was reviewed and no changes were made; approved as presented.

3. Approval of Minutes from 09/03/2009 Meeting

The minutes of the September 3, 2009, meeting were reviewed and approved as presented.

4. Discussion/Action: Review of DRAFT Charter

Board Member Biehl indicated that Mr. Juchau did most of the work on the draft charter document. Mr. Juchau reviewed various documents and combined them to develop the draft audit committee charter by laws.

Discussion was held on the draft Audit Committee Charter document. Ms. Stegeman indicated that the document seemed as if an internal auditor had already been decided. Board Member Biehl indicated that if there was an auditor, the individual would work through the committee, but the Board of Trustees would determine the appointment of an auditor. Board Member Herrera clarified that Ms. Stegeman was stating that the document did not present options, but positions recommendations. Board Member Biehl indicated that he would include under the charter's mission the word "internal." He also indicated that he would like a document that states the committee would be responsible for the auditor if one were appointed.

Further discussions and recommendations made on the document are as follows:

- **II. Mission – Items 2), 3) and 4)**
Change “internal/external to read: “internal and/or external”
- **III. Membership – Page 2**
Add #5: Members will make themselves available for finance training.
- **III. Membership - Item c)**
Delete line c.
- **III. Membership - Item e)**
Change the word “on” to “of.”
Delete “and does not appear so from the public perspective”
- **III. Membership - Item f)**
Change to read as follows:
*Committee must disclose such conflict. The other Audit Committee member **by the next meeting** shall, by majority vote, make a recommendation to the Board, which will decide whether or not to remove and replace the affected member.*

Mr. Zito asked when does the Board remove a member based on a conflict of interest. Board Member Biehl indicated that he assumed it would occur by the next meeting.

- **III. Membership - Item e) and f)**
These are exceptions. They are not reasons why a person cannot serve. They need to be separated with the following notation:
“Exceptions to this are:”
- **IV. Duties and Responsibilities**
The word “Shall” was added to bullets #3, #4, and #5.
Bullet 3: Shall elect...
Bullet 4: Shall meet...
Bullet 5: Shall comply with the Brown Act and be trained on the Brown Act
(sentence changed)
- **IV. Duties and Responsibilities – Page 3 (bottom third of page)**
Board Member Biehl to modify the language for clarification.
- **IV. Duties and Responsibilities – Page 4**
Change in sentence to read as follows:
*The Audit Committee may recommend to the Board the dismissal of any member who has had **two** consecutive unexcused absences or **four** in any twelve-month time.*

- **IV. Duties and Responsibilities – Page 5: Internal Audit – Item b)**
Board Member Biehl will reword sentence.
- **V. Self-Assessment**
A suggestion was made to change the word “annually” to “periodically.”

It was asked, “Who will be responsible for meeting the Brown Act posting timelines?” Board Member Biehl indicated that the Superintendent, who is the Secretary to the Board, will be responsible for complying with Brown Act posting timelines. He also indicated that the committee should receive training on the Brown Act. Ms. Stegeman asked if there could also be fiscal and education training.

The document will be brought back to the committee for review/approval at the next meeting. This document is a framework created to help the Board in making a decision.

Board Member Biehl indicated that he would like to set up a standing committee to help determine what are the best practices. This would be an option for the Board to consider what are the best practices of an internal auditor versus and external auditor.

5. Discussion/Action: Timeline/Public Hearing Date

Board Member Biehl asked that the draft timeline document be reviewed. It will be discussed at the next meeting.

6. Discussion/Action: Self-Assessment

Item carried to next meeting.

7. Discussion/Action: Appointment Process

Discussion was held regarding the appointment process. Member Biehl indicated that the recruitment process will be the same the process that was used to for the filling of the vacant Board seat; vacancy will be posted, applications accepted and interviews held.

Mr. Garofalo asked if one of the requirements would be to reside in the district’s attendance area. Mr. Biehl indicated that the question of residency will be addressed at the next meeting.

8. Discussion/Action: Research of Best Practices Internal/External Auditor

Item carried to next meeting.

9. **Discussion/Action: Application**

Item carried to next meeting.

10. **Discussion/Action: Report to Board on September 17, 2009**

Board Member Biehl will review the revised document with Board Member Herrera in preparation to present to the Board at their September 17, 2009, Board Meeting.

11. **Discussion/Action: Next Meeting: September 29, 2009?**

The next meeting of the Ad Hoc Board Audit Committee will be held on September 29, 2009, at 4:30 p.m. in the Superintendent's Conference Room.

The meeting was adjourned at 5:34 p.m.



East Side Union High School District

830 N. Capitol Avenue • San Jose, California 95133 • 408-347-5000