

## **SPECIAL MEETING AGENDA**

### **Board Audit Committee**

6:00 PM

April 18, 2013

Superintendent's Conference Room

East Side Union High School District Education Center

830 North Capitol Avenue

San Jose, CA 95133-1398

*In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications or accommodations, including auxiliary aids or services, in order to participate in the public meeting of the Audit Committee, please contact the office of the District Superintendent at (408) 347-5011. Notification 24 hours prior to the Special Meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with this meeting in appropriate alternative formats for persons with a disability.*

**1. Call to Order/Roll Call**

**2. Introductions**

**3. Adopt 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 an unagendized item, no response is required from the Audit Committee or district staff and no action can be taken; however, the Committee may instruct the Chair to agendize the item for a future meeting.*

**6. Approval of Minutes**

**Action:** Minutes from the February 12, 2013, meeting will be presented for approval.

**Internal Auditor / Chair / Vice Chair**

**7. Discussion/Action: Updates** - Chair Nguyen and Vice Chair Carrasco

**8. Discussion/Action: Senior Manager of Internal Controls Status/Update on Position** – Chair Nguyen and Vice Chair Carrasco

**9. Discussion/Action: Audit Committee Charter Update** – Chair Nguyen and Vice Chair Carrasco

**10. Discussion/Action: Fraud/Waste/Abuse Hotline Update** - Chair Nguyen and Vice Chair Carrasco

**External Auditor**

**11. Discussion/Action: Update by External Auditor regarding East Side Union High School District**  
Ahmad Gharaibeh, External Auditor, will provide an audit update to the Committee.

## **Superintendent**

12. **Discussion/Action: Update on the Teacher Laptop Initiative** – Superintendent Funk and Associate Superintendent Battle
13. **Discussion/Action: Update on Copiers** - Associate Superintendent Battle
14. **Discussion/Action: Records Retention Draft Policy** – Superintendent Funk and Associate Superintendent Battle

## **Audit Committee Business**

### **15. Discussion/Action Future Meetings**

Under this item the Audit Committee may schedule future meeting dates and times.

### **16. Superintendent Communications/Comments**

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

### **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. Adjournment**

# EAST SIDE UNION HIGH SCHOOL DISTRICT

## Minutes of Meeting

Item #6

### Unapproved

#### Board Audit Committee

February 12, 2013

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

*Chair Nguyen called the meeting to order at 6:02 p.m. Present were Vice Chair Carrasco, Member Berg, Member Juchau and Member Reinke.*

*Staff members in attendance were:*

- *Chris Funk*
- *Marcus Battle*
- *Mary Guillen*
- *Karen Poon*

*Presenter:*

- *Ahmad Gharaibeh, External Auditor*

#### 2. Introductions

*Persons present at the meeting introduced themselves.*

#### 3. Adopt Agenda

*Motion by Member Reinke, second by Member Berg, to adopt the agendas amended. The amendments are as follows:*

*Move item 9 (Audit Committee Charter) after item 5 (Public Comment) on the agenda.*

*Move item 14 (Storage of Records) after Audit Committee Charter discussion (item 9) on the agenda.*

*Vote: 4/0 (Members Nguyen, Carrasco, Berg and Reinke)*

**4. Special Order of Business**

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

*There was no special order of business.*

**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**

**Action:** Minutes from the September 25, 2012, meeting will be presented for approval.

*Motion by Member Berg, second by Member Reinke, to approve the minutes as presented.*

*Vote: 4/0, Vice Chair Carrasco abstained from vote.*

**Internal Auditor / Chair / Vice Chair**

**7. Discussion/Action: Updates - Chair Nguyen and Vice Chair Carrasco**

*Chair Nguyen had no updates to provide the Committee under this item.*

**8. Discussion/Action: Senior Manager of Internal Controls Status/Update – Chair Nguyen and Vice Chair Carrasco**

*The vacancy for the position of Senior Manager of Internal Controls was posted on September 20, 2012. Some of the recruitment agencies the position was advertised were in EdJoin, Indeed, CSBA and CASBO. Requirements for the position are MBA, Bachelors Degree with a major in Accounting, CPA/CIA, CGAP, CFE, five to seven years of management level experience and 5 years of professional level experience. To date, the district has received four applications for the position.*

*It was suggested that the requirements for the position be modified. Suggestions to the qualifications were:*

- *Change: CPA or relevant certification/experience*
- *Change: to MBA preferred/desirable*
- *Change: Professional certification*
- *Remove: CGAP*

*Superintendent Funk indicated that the position will be reposted on February 13 with the recommended job description changes made by the Audit Committee, which has been authorized by the Board.*

**9. Discussion/Action: Audit Committee Charter – Chair Nguyen and Vice Chair Carrasco**

*Motion by Member Berg, second by Vice Chair Carrasco, to amend the Audit Committee as follows:*

*Section III Membership – paragraph 7 last sentence to be read (red text is amended/new language):*

*In order to coincide with the annual presentation of the external audit report to the Board, public member terms shall begin on February 1 and end two years later on January 31 **or when the Board appoints a new member, whichever is later.***

*Vote: 4/0 (Members Nguyen, Carrasco, Berg and Reinke)*

**10. Discussion/Action: Fraud/Waste/Abuse Hotline – Chair Nguyen and Vice Chair Carrasco**

*To-date, there have been no reports of fraud, waste and/or abuse reported to the hotline.*

**External Auditor**

**11. Discussion/Action: Update by External Auditor regarding East Side Union High School District**

*Ahmad Gharaibeh, External Auditor, reported to the Committee this is his last meeting with the East Side Union High School District staff and that another partner from the firm will be attending ESUHSD meetings.*

*He announced that based on the sampling of the sites, there were no findings or audit adjustments last year.*

*The Audit Committee extended a heartfelt thanks to Mr. Gharaibeh for all his great work with the District, including his work with the Citizens' Bond Oversight Committee.*

### **Superintendent**

**12. Discussion/Action: Update on the Teacher Laptop Initiative – Superintendent Funk and Associate Superintendent Battle**

*The Board approved a laptop initiative last Fall, which would issue laptops to all teachers. The Request for Proposals are currently under review by Information Technology staff. The selection for proposal will be presented to the Board at their meeting of March 21. The tentative date for the distribution of laptops is scheduled for April 15. Prior to issuance, each laptop will be asset tagged and inventoried. Lost and/or stolen laptops will be replaced if the loss or damage is not considered to be as a result of negligence. The cost of the laptops will be funded out of Measure E funds, which have been specifically allocated to for Information Technology.*

**13. Discussion/Action: Update on Copiers - Associate Superintendent Battle**

*There are 123 copiers located throughout the district and its school sites. Out of the 123 copiers, 102 are owned and 21 are leased. The number of copies printed district wide is 32 million a year. We are in the top 10% in the Country for volume printing. The district is looking at increasing controls and monitoring printing volume. A survey on copier procurement and trade offs will be going out to the sites. The budget does not allow for a "buy" option; it costs too much money. The Information Technology and Purchasing Departments will be working together on this project.*

**14. Discussion/Action: Storage of Records – Superintendent Funk and Associate Superintendent Battle**

*Superintendent Funk provided the Committee a report on the status of the storage of special education student records. There are records dated back to the 70's that are in storage. Pending legal opinion, the records required by law to be maintained will be scanned for electronic storage. The goal will be to eliminate the storage bin.*

*Member Berg asked if there were discipline records in the bin and, if there were, to obtain a legal opinion on the destruction of such records.*

*Member Juchau asked if there will be a policy developed on scanning (electronic storage) and who has access to the records.*

*Superintendent Funk indicated that he will have Director of Information Technology Randy Phelps develop a policy. He will also seek a legal opinion on what can and cannot be destroyed.*

*Shared with the Committee was Director of Special Services Toby Hopstone's proposal to approve the destruction of outdated special education pupil records. Also shared with the Committee were the California Statute rules regarding special education records maintenance.*

### **Audit Committee Business**

#### **15. Discussion/Action Future Meetings**

Under this item the Audit Committee may schedule future meeting dates and times.

*Possible meeting dates for the next meeting were on one of the following dates:*

*April 8, 9, 10, 15, 18 or 23*

*Based on the dates provided, the Committee will be notified of the confirmed meeting date.*

*Once the date is confirmed, the time and location will be as follows:*

*6 PM*

*East Side Union High School District  
Superintendent's Conference Room*

*Items for future discussion:*

- *Status/update on Laptop Initiative (bring back in the Spring)*
- *Copiers (audit)*
- *ASB Debit Balances*
- *Records Retention Policy*

- *Board Policy & Administrative Regulation regarding Equipment Loss / Replacement (Berg)*
- *History / District's funding of Fund 71, including a report on Fund 71 OPEB Funds (Berg)*
- *Cash Handling (recurring item on the agenda) (Juchau)*
- *Preliminary Report by Senior Manger of Internal Controls (Nguyen)*

**16. Superintendent Communications/Comments**

- Superintendent Chris D. Funk

*Nothing to report*

- Associate Superintendent of Business Services Marcus Battle

*Nothing to report*

**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.

*None*

**18. Adjournment**

*Chair Nguyen adjourned the meeting at 7:25 p.m.*

*Respectfully submitted,*

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*Lan Nguyen, Board Audit Committee Chair*