

Minutes of Meeting
Approved
Board Audit Committee

April 3, 2010

9:00 a.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

The meeting was called to order at 9:01 a.m. by Chair Biehl. Present were Vice Chair Nguyen Member Berg, Member Juchau, Member Neighbors and Alternate Member Resch.

Staff Members in attendance were:

- *Dan Moser*
- *Jerry Kurr*
Dennis Barbata
- *Betty Banderas*

Community members in attendance were:

- *John Moore*
- *Bill Jakel*

2. Introductions

All persons present introduced themselves.

3. Adopt Agenda

Motion by Member Juchau, second by Member Berg, to approve the agenda 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

Speaker:

- *Dennis Barbata – E-Rate*

6. **Approval of Minutes**

Motion by Member Berg, second by Member Neighbors, to approve the minutes of the February 13, 2010, Audit Committee meeting with corrections as noted.

Vote: 5/0

7. **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**

Discussion on who the position will be reporting to and how the position will be hired; what the duties of the Internal Auditor position should focus on. The proposed salary would be that of a Director II range and would be evaluated by the Board. The job description was reviewed, discussed and revised with the following motions:

First Motion:

Motion by Member Berg, second by Member Neighbors, to approve that the Internal Auditor position will report to the Board of Trustees and that the position will be hired with a contract.

Vote: 5/0

Second Motion:

Motion by Member Berg, second by Member Neighbors, to approve the Internal Auditor Job Description with the understanding that the document will be revised as discussed and e-mailed to Chair Biehl and Vice Chair Nguyen before sending to the Committee.

Vote: 5/0 Vice Chair Nguyen left the room; vote by Alternate Member Resch

8. **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: Present alternatives

Interim Superintendent Dan Moser presented an alternative that he had discussed with the Santa Clara County Office of Education where a sample of invoices would be tested from the time when the District employed an Internal Auditor and, if that testing verified that the invoices were accounted for correctly, further testing of sample invoices would be completed for the time after the District no longer employed an Internal Auditor. Successful sample testing would alleviate the need for further auditing. However, testing that revealed inappropriate accounting would require further auditing.

Carried to the next meeting

9. Discussion/Action: Follow-Up, Warrants Report Formatting

Jerry Kurr, Associate Superintendent, of Administration and Business Services
Present a Warrants Report formatted to the specifications provided by the Audit Committee at the February 13, 2010 meeting

Discussion was held and samples reviewed regarding the format of the Warrants report, it was agreed that the original format will be used until samples from the District financial system are presented showing sort by "object code" and "dollar amount." A request was made as to where the Cash Report information could be obtained. Associate Superintendent of Administration and Business Services Kurr, will bring to the next meeting the Second Interim Report to show where the "Cash Report" is documented.

Carried to the next meeting.

10. Discussion/Action: Next Meeting Date

Proposed Date & Time: April 22, 2010, 6:00 PM, Superintendent's Conference Room

It was confirmed that the next meeting will be held at 6:00 p.m., Thursday, April 22, 2010. Member Berg will arrive late to the meeting.

11. Superintendent Communications/Comments

- Associate Superintendent of Business Services and Administration, Jerry Kurr
- Interim Superintendent, Dan Moser

Superintendent Moser handed out a binder to the Audit Committee Members regarding the Brown Act for their information. Chair Biehl would like clarification in regards to Closed Session. The question is if Close Session can be exercise by the Audit Committee. Superintendent Moser will check with Legal Counsel for clarification.

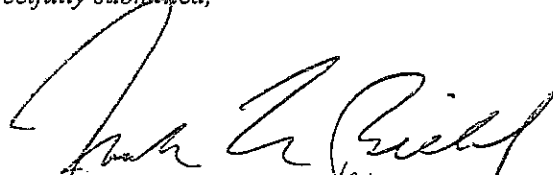
12. Audit Committee Member Comments

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.

13. Adjournment

On a motion by Member Neighbors, second by Member Berg, the meeting adjourned by Chair Biehl at 11:24 a.m.

Respectfully submitted,



Board Audit Committee Member *Chair*