

**HOUSTON INDEPENDENT SCHOOL DISTRICT  
MINUTES OF THE BOARD AUDIT COMMITTEE  
September 20, 2018**

**MEETING CALLED TO ORDER 1:06 p.m.**

<b>PRESENT:</b>	Committee Members	Holly Maria Flynn Vilaseca Anne Sung Sue Deigaard
	Staff	Garland Blackwell, Chief Audit Executive John Gerwin, Manager, Construction Audit Liping Huang, Audit Manager Glenn Johnson, Manager, Internal Audit Debbi Fincher, Ethics and Compliance Officer Sylvia Trinh, Chief of Staff Elneita Hutchins Taylor, General Counsel Sherrie Robinson, Controller Scott Gilhousen, Director, Information Technology
	Other	Lisa McBride, Thompson Horton Dr. Doris Delaney, Conservator
	Weaver	Greg Peterson Laura Lambert
	BDO	Jamey Loupe

**CONSIDERATION AND APPROVAL OF MINUTES FROM PREVIOUS MEETINGS**

On motion by Trustee Sung and seconded by Trustee Deigaard, the minutes for the July 26, 2018 meeting were approved 3-0.

**ITEMS DISCUSSED**

• **MID-FINANCIAL STATEMENT AUDIT UPDATE**

Presented by: Laura Lambert, Weaver

Midway through audit progress. Meet with Sherrie Robinson and members of the finance department weekly to discuss status of the audit. At this moment, no significant findings or adjustments to report.

Audit procedures performed during interim includes walkthrough of accounting cycles including budget, capital assets, cash disbursements, financial reporting, payroll, purchasing, state/federal tax revenue, grant revenue and treasury are mostly complete.

Substantial completed Single Audit procedures on 5 initial programs discussed. Subsequent to that TEA released additional Hurricane funding so that became a major program and they are working on testing.

Presented by: Reba

IT Control Evaluation: Substantially complete.

Final Report to be presented to Audit Committee the week of November Board meeting, and the entire board at the November board meeting.

Potential November Audit meeting dates: November 5 – November 7, 2018 (Mon-Wed)

- **HURRICANE HARVEY AUDIT UPDATE**

Presented by Garland Blackwell

The work is divided in two pieces:

1) Review transactions themselves, to make sure expenditures are accurate and reimbursable. Audit to be done by:

2) Construction Audit Team will be looking at the processes around Hurricane Harvey efforts.

John Gerwin: Have four schools that had to be totally replaced. (Kolter, Mitchell, Braeburn and Scarborough). Once construction gets underway, these schools will be part of audit plan.

- **DEPARTMENT GOALS FOR 2018-2019 PERFORMANCE YEAR**

Presented by Garland Blackwell

Informational item to be presented to board.

- **PROPOSED 2019 AUDIT PLAN**

Presented by Garland Blackwell.

Audit plan assumes fully staffed department.

Currently in draft mode and not ready to be presented to the full board yet, partly because they are waiting on the BDO Risk assessment report.

Hope to present plan in October for adoption in November board meeting, no later than December.

Trustee feedback of audit plan to Blackwell by October 9.

- **QUALITY ASSURANCE AND IMPROVEMENT PROGRAM (QAIP)**

Presented by Liping Huang

QAIP is a management program which shows internal audit commitment to quality by meeting expectations of the stakeholders, including trustees. No QAIP program in the past in HISD.

Goals: Performs the two assessments in 2018 and 2019 as required by IAAP standards. Perform external assessment in 2020.

Reviewed timeline.

- **SUMMARY OF SELECTED AUDITS (VICTORY PREPARATORY ACADEMY; HUMAN RESOURCES PAYROLL; ENGLISH LANGUAGE LEARNING; AND CAREER AND TECHNICAL EDUCATION AT FURR HIGH SCHOOL)**

Victory Prep –85% complete

Human Resources Payroll – draft stage. Waiting on administration response.

English Language Learning – Final

CTE at Furr High School – to be presented at next meeting

- **STAFFING UPDATE/IMPACT ON THE AUDIT PLAN**

- **BDO DISCUSSION: INFORMATION TECHNOLOGY RISK ASSESSMENT AND THE DISASTER RECOVERY PLAN AUDIT**

Status report presented by Jamey Loupe, BDO

- **TEXAS LEGISLATIVE BUDGET BOARD UPDATE**

Presented by Sylvia Trinh:

LBB is still in collection stage. They have launched 3 surveys via HISD website for parents, campus staff and district staff. Surveys went live last Friday (September 14) and until November 2. Both dates were decided by the LBB.

Once they have combed through the documents they have requested of HISD and gotten responses from the 3 surveys, they will start scheduling visits to speak with district personnel and visiting campuses.

Although cutoff date has passed for departments to submit documents, any missing documents can still be submitted.

- **POLICY/CHARTER DISCUSSION ON POSSIBLE UPDATES/REVISIONS**

Presented by Lisa McBride

The charter provides more specifics and mechanics while the policy provides more of an overview.

Discussed how to “oversee” work of CAE and external auditors as stated in charter while the policy states that committee is only an advisory.

**ADJOURN TO CLOSED SESSION AT 2:18 P.M.**

**RECONVENE IN OPEN SESSION AT 2:51 P.M.**

**NEXT STEPS**

- Next Proposed Meeting: October 16, 2018 @ 11:30 a.m.
  - BDO Audit
  - CTE Report

**ADJOURN AT 3:20 P.M.**