

**Houston Independent School District
Board Audit Committee
Meeting Minutes: November 10, 2014
2:12 p.m.**

Meeting Called to Order by: Meeting called to order by Ms. Anna Eastman

Present: Committee Members: Ms. Anna Eastman and Mr. Manuel Rodriguez, Jr.

Audit Staff: Mr. Richard Patton

Proceedings:

Kenneth Huewitt, Chief Financial Officer, recognized the district's the district's controller, Sherry Robinson, to present the results of the comprehensive annual financial report. The single audit report was presented by Ross Johnson with Deloitte & Touche. Each presentation was followed by questions and comments from the Audit Committee.

Marketing Transformation Process

Mr. Richard Patton, Chief Audit Executive, provided the audit committee with an update of the transformation process. The foundation has been set in the internal audit department with the reissuing of a mission statement, along with setting department goals and objectives and individual performance plans. Because of the tight timelines for meeting the department goals and objectives, he had spoken with representatives from the Legal Department and HR about possible grievances filed due to the short turnaround time for meeting those expectations.

Mr. Patton informed the committee that the enterprise risk assessment had not begun.

Position Statement for Three Levels of Defense

- Combine Risk Management and Internal Audit

The IIA had suggested separating internal audit from the Office of Inspector General, in accordance to the IIA best practice model of separating the two. The IIA exception would allow dual responsibilities in certain circumstances. Ethics & Compliance and Internal Audit will operate as separate departments.

Audit Plan Status and Prioritization for 2014 and 2015

Ms. Eastman requested a standard procedure for how the district responds to suspicions of cheating.

Mr. Patton recommended the reconsideration of elementary activity funds due to the risk involved and those activities can be moved to the central office.

Mr. Patton provided a status update of the 2014 audit plan.

Ethics & Compliance Program

Mr. Patton recommended that the position of Ethics and Compliance Officer be posted as a general manager or higher. There was discussion regarding the new officer's ability to attend and participate in cabinet meetings and engage in dialogue when conflicts are seen by the new officer.

Discussion continued with regard to the need for educating employees about ethics and compliance requirements.

Educational Program Assurance

A draft of the Educational Program Assurance was presented to the committee for their review.

Meeting adjourned at 3:40 p.m.