

**HOUSTON INDEPENDENT SCHOOL DISTRICT
MINUTES OF THE BOARD AUDIT COMMITTEE
November 12, 2018**

MEETING CALLED TO ORDER 6:04 p.m

PRESENT:

Committee Members	Anne Sung Sue Deigaard Holly Maria Flynn Vilaseca @ 6:15 p.m.
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 Tammi Mitchell, Audit Manager, Educational Programs Elneita Hutchins Taylor, General Counsel
Other	Lisa McBride, Thompson Horton Dr. Doris Delaney, Conservator

ITEMS DISCUSSED

• **Referral from board member Lira**

Introduction of new audit manager for educational programs, Dr. Tammi Mitchell.

In April, Dr. Lira asked administration for information related to Victory Prep. Chief Mark Smith asked to conduct additional audits as well, to include financial audits. Referral transferred to Audit. Currently working with external firm to assist in conducting audit of Victory Prep. Report expected to be completed in December.

In addition to the Victory Prep audit that is already being conducted, Dr. Lira requested that 3 charter schools be added to the audit plan which will be spearheaded by Dr. Tammi Mitchell. The schools are Texas Connections Academy, Young Learners and Energized for Excellence (Elementary School). Mr. Blackwell will schedule a future meeting with Dr. Lira in order to define a scope/objective for the audit plan.

A list of all charter schools was distributed for informational purposes only.

Ms. Deigaard asked whether we conducted financial audits for our non-charter schools. Activity funds are audited. Ms. Deigaard also inquired as to whether we should be auditing the financials of our other schools in addition to charters in order to make sure they are also complying with policies.

- **Review draft report of Audit Committee activities during 2018**

Ms. Flynn Vilaseca will merge Mr. Blackwell's below activities summary into final report which summarizes activities and deliverables of Audit Committee over calendar year 2018. This will be submitted for receipt and approval of recommended changes at the December 13, 2018 Regular Board Meeting.

Mr. Blackwell reviewed his portion of audit committee reports:

- **Reports Issued:** A number of audit and investigation reports were issued during the year. A sample of the topics is listed below to give stakeholders a general idea of the kind of reports issued in education, construction, finance, operations, ethics, and compliance. Final Reports are listed online on [Internal Audit's](#) page of the HISD website.
 - **Quality Assurance and Improvement Program (QAIP) was launched in October 2018**
 - Developed a timeline-based strategy for short- and long-term items that must be reviewed and corrected, if needed, in order to successfully pass the 2020 department audit
 - Current focus is on reviewing and updating the charters which were last issued in 2015 for the Audit Committee and the Office of Internal Audit
 - **Status of Vacant Positions**

There are two vacancies – Internal Auditor and a Business Analyst Position in Ethics and Compliance
 - **Training / Professional Development Efforts**

Completed Audit Committee Training and Root Cause Analysis Training for staff
- **Review updates to Audit Committee charter**

The Audit Committee Charter tasks the committee with annually reviewing the charter and making recommendations to the board concerning changes to the charter. In connection with the charter, the committee specifically recommends that:

- The board approves the committee's proposed amendments to the *Audit Committee Charter*,
- The charter be maintained online within the HISD Board Policy Manual (i.e., Policy On Line®) as an exhibit to Board Policy BDB(LOCAL); and
- The board accepts the committee's proposed amendments to Board Policy BDB(LOCAL), *Board Internal Organization: Board Committees*, on first reading.

- **Discuss changes to Board Policy BDB(LOCAL) – Board Internal Organization: Internal Committees**

Proposed changes to BDB(LOCAL) include:

- Adding a statement about oversight at “Purpose”; and
- Moving details about powers delegated by the board to the Audit Committee, responsibilities of the committee, members of the committee, and committee meetings to the *Audit Committee Charter*.

Committee accepts all changes recommended to charter and BDB (LOCAL). Ms. Flynn Vilaseca will reach out to Dr. Lira as chair of Policy Committee to agree to waive policy going to committee.

- **Final draft of Audit Plan**

Mr. Blackwell reviewed the final draft of Audit Plan for Calendar Year 2019. It will be presented to board for approval on December 13, 2018 agenda.

ADJOURN TO CLOSED SESSION AT 8:12 P.M.

RECONVENE IN OPEN SESSION AT 8:37 P.M.

ADJOURN AT 8:37 P.M.