

**HOUSTON INDEPENDENT SCHOOL DISTRICT  
MINUTES OF THE BOARD AUDIT COMMITTEE**

**April 16, 2019**

**9:00 A.M.**

**MEETING CALLED TO ORDER 9:05 a.m.**

**PRESENT:**

Committee Member	Status	Arrived
Holly Maria Flynn Vilaseca	Present	9:05 a.m.
Anne Sung	Present	9:06 a.m.
Sue Deigaard	Present	9:05 a.m.

Staff

Garland Blackwell, Chief Audit Executive  
Elneita Hutchins Taylor, General Counsel  
Silvia Trinh, Chief of Staff  
Liping "Lee" Huang, Audit Manager, Support Services  
Douglas Moore, Sr. IT Auditor  
John Gerwin, Manager, Construction Audit  
Glenn Johnson, Manager, Internal Audit  
Tammi Mitchell, Audit Manager, Educational Programs

Other

Lisa McBride, Partner, Thompson Horton

**ITEMS DISCUSSED**

**• APPROVAL OF MINUTES**

On motion by Trustee Deigaard and seconded by Trustee Flynn Vilaseca, the minutes for the February 25, 2019 meeting was approved 2-0.

- **DASHBOARD PRESENTATION/WALKTHROUGH**

Presented by Lee Huang and Doug Moore

In coordination with IT SharePoint, the buildout of the dashboard was completed in March. A brief demonstration of the dashboard was presented to the Audit Committee, and each committee member will receive a link via Microsoft Outlook to gain access to the dashboard. The committee will provide feedback to the Internal Audit Department regarding any additional updates and/or improvements by Friday, April 19, 2019. Feedback is expected for continuous improvement—the expected implementation is in May 2019.

Recommendations:

- Internet Explorer on a desktop or laptop computer as the usage browser.
- Percentage completions go from low to high (i.e., 0–33%) instead of what is currently shown, high to low (33%–0%). Recommended by Mr. Blackwell.
- Present the dashboard to the Interim Superintendent’s Cabinet.
- Administrative responses be reviewed by the Internal Audit Department before they are posted to the dashboard and made visible to the public.

- **LEGISLATIVE BUDGET BOARD UPDATE**

Presented by Silvia Trinh

The Interlocal Agreement has been fully executed, and the status of the work is as follows.

Phase 1: Data Gathering, Submission and Review – Completed

Phase 2: Fieldwork: Interviews (individuals and groups), Site and Campus Visits Completed (March 2019)

Phase 3: Write and Fact Verification – In Progress

A report is currently being compiled which will display all the data and interview results. The fact verification will be executed in mid-June. This gives the administration an opportunity to go through the report, section by section, and correct any misstatements of facts. The tentative date for the final report is mid-August 2019.

- **2019 AUDIT PLAN UPDATE**

A written Audit Plan Update was submitted to the Audit Committee. Discussions were held on the following areas:

- Staffing issues to complete the remainder of the Audit Plan. Two vacant positions need to be filled due to turnover. One will be filled next week. Search continues for second vacancy.
- Construction audits are funded by bond funds. Ms. Sung suggested showing how much we saved in the dashboard once a project is completed.
- Mr. Blackwell will provide a one-page sample listing audits and the amount recaptured (both recommended recovery and actual recovery).
- Adding audit of Request For Proposals (RFP's) to the Audit Plan. Are they auditable?

- **CHIEF AUDIT EXECUTIVE EVALUATION PROCESS INSTRUMENT**

Ms. Sung distributed clean copies of the Chief Audit Executive Evaluation Process Instrument to the committee, Mr. Blackwell, and the general counsel. In the document, issues were flagged for consideration and alignment with existing charter and policies.

Next step:

Adopt for May agenda: Modify Dallas' instrument with the exception of management incentive rating and Dallas specific language. The adopting instruments are for 2018–2019 and 2019–2020. Goals will be chosen collaboratively by the committee and Mr. Blackwell.

- **ETHICS AND COMPLIANCE UPDATE**

Ms. Hutchins-Taylor will submit a correction to the update to correct a misstatement regarding where the Ethics and Compliance team was housed.

Currently, the Ethics and Compliance positions are vacant. Ethics and Compliance goals for the 2018–2019 period have not been completed and will be transferred to the 2019–2020 performance year.

- **QUALITY ASSURANCE AND IMPROVEMENT PROGRAM (QAIP) MOMENT: INTERNATIONAL PROFESSIONAL PRACTICES FRAMEWORK (INSTITUTE OF INTERNAL AUDITORS RED BOOK)**

- Copies of IIA Red Book were distributed to committee members.
- A discussion was held regarding the framework for authoritative guidance for internal audit professionals.

- **QAIP 2018 SELF-ASSESSMENT**

- Continue with self-assessment in order to pass the 2020 department audit.

- **UPCOMING PROFESSIONAL DEVELOPMENT EVENTS:**

- The Audit Committee will participate in GOVERNANCE, RISK MANAGEMENT, AND COMPLIANCE (GRC) training on May 2, 2019 from 8:00 a.m.–3:45 p.m.

- **REVIEW CHIEF AUDIT EXECUTIVE'S INTERNAL AUDIT BUDGET AND ADVISE BOARD ON RECOMMENDED RESOURCES TO ACHIEVE THE INTERNAL AUDIT PLAN**

- Currently, there is one position in the financial / operational section of the Audit Department that is targeted for budget cut. This is approximately 6.5% of the departmental budget or \$140,000, and it translates to 5-7 audits that will not get done.
- Ms. Sung proposes that the committee recommends that the Audit Department not be subject to a budget cut at the May 2 Workshop.
- Ms. Deigaard suggests submitting a report showing costs saved as a result of completed audits.

**ADJOURN TO CLOSED SESSION AT 10:52 A.M.**

**RECONVENE IN OPEN SESSION AT 11:29 A.M.**

**ADJOURN AT 11:31 a.m.**