

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

**May 16, 2019**

**11:00 A.M.**

**MEETING CALLED TO ORDER 11:55 a.m.**

**PRESENT:**

Committee Member	Status	Arrived	Departed
Holly Maria Flynn Vilaseca	Present	11:55 a.m.	1:43 p.m.
Anne Sung	Present	11:55 a.m.	
Sue Deigaard	Present	11:55 a.m.	

Staff: Garland Blackwell, Chief Audit Executive  
Elneita Hutchins Taylor, General Counsel  
Catosha Woods, Deputy General Counsel  
Sylvia Trinh, Chief of Staff  
Vermeille Jones, Director, Board Services  
Liping "Lee" Huang, Audit Manager, Support Services  
John Gerwin, Manager, Construction Audit  
Glenn Johnson, Manager, Internal Audit  
Brian Busby, Chief Operating Officer

Other: Dr. Doris Delaney, TEA Conservator  
Lisa McBride, Partner, Thompson & Horton

Meeting Recessed at 11:55 a.m.

Meeting Reconvened at 1:40 p.m.

**ITEMS DISCUSSED****• APPROVAL OF MINUTES**

On motion by Trustee Deigaard and seconded by Trustee Sung, the minutes for the April 16, 2019 meeting was approved 3-0.

**• VICTORY PREP AUDIT UPDATE**

An audit of the financial statements for Victory Prep Academy for the years ending August 31, 2017 and August 31, 2018, were completed by McConnell & Jones, LLP and presented to the Audit Committee for their review.

**• 2019 ENTERPRISE RISK ASSESSMENT**

Mr. Blackwell introduced Janet Smith, BDO Risk Advisory Services Managing Director, for an overview of the 2019 Enterprise Risk Assessment. Ms. Smith outlined the objectives, benefits, and Enterprise Risk Assessment methodology. The timeline for the BDO risk assessment would be to schedule interviews with chiefs and trustees, along with development of a survey with select district personnel by the end of May. Interviews will continue through June and July, as time permits. BDO expects to provide a draft report to the Audit Committee in August.

**• HURRICANE HARVEY UPDATE**

Trustee Flynn Vilaseca announced that the Hurricane Harvey Update would be postponed until the next Audit Committee meeting.

**• GOVERNANCE, RISK MANAGEMENT, AND COMPLIANCE (GRC) TRAINING DEBRIEFING**

Trustee Deigaard asked that the Governance, Risk Management, and Compliance (GRC) training debriefing be postponed until the next Audit Committee meeting so that all committee members could benefit from the conversation.

**• ALERT LINE STATUS UPDATE**

Mr. Blackwell introduced Liping "Lee" Huang, who provided the committee members with an update of AlertLine open cases as of May 7, 2019. The update included cases assigned to Internal Audit, the School Offices, Human Resources, Legal, as well as

miscellaneous departments such as police, facilities, nutrition services, etc. She also indicated that they were working to finalize the HSPVA audit findings.

- **DASHBOARD UPDATE**

Ms. Huang stated that a dashboard update was presented to the Superintendent and cabinet members on May 13, 2019, however, implementation of the dashboard will be postponed until June due to feedback resulting from that meeting.

Mr. Blackwell commented that there was some discussion during the last committee meeting about whether to make the dashboard public. It was his opinion that it should not due to potential legal risk in showing reports prematurely. He did indicate that completed and finalized audit reports are available on the Internal Audit website. He asked Elneita for any feedback she might have regarding legal risks involved in making the dashboard public. Elneita stated that the dashboard contains a lot of information, some of which was in progress, and was a cause for concern because it had not been properly vetted. She agreed with Mr. Blackwell that reports should be posted and made available to the public once an audit is finalized and presented to the board. This was followed by comments by Trustee Sung concerning follow-up in terms of making the public aware of final outcomes of audit reports. Mr. Blackwell responded that he did not have the resources to audit every single report they issue. He did say that auditees were responsible for uploading evidence into the dashboard of having completed a recommendation. Discussion ensued concerning possible actions by the administration in response to the recommendations issued by Internal Audit

- **QUALITY ASSURANCE AND IMPROVEMENT PROGRAM (QAIP) MOMENT: STAKEHOLDER SURVEYS; DEPARTMENT CHARTER; DEPARTMENT AUDIT MANUAL**

Ms. Huang reported that responses from stakeholder surveys were due by May 17<sup>th</sup>, therefore, no update was available at this time.

- **REVIEW RESUMES OF COMMUNITY VOLUNTEERS FOR THE AUDIT COMMITTEE**

Trustee Sung reported that a list of questions were sent to the two community volunteers interested in serving on the audit committee, and only one responded. The consensus was to continue seeking interested community volunteers.

**MEETING ADJOURNED TO CLOSED SESSION AT 2:20 pm.**

**MEETING RECONVENED IN OPEN SESSION AT 2:56 pm**

**MEETING ADJOURNED AT 2:56 pm**