

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

April 6, 2023

MEETING HELD - MEMBERS PRESENT

The Board of Education of the Houston Independent School District (HISD) held an Audit Committee meeting on April 6, 2023, beginning at 3 p.m. in the board auditorium of the Hattie Mae White Educational Support Center, 4400 West 18th St., Houston, TX 77092.

Present:

Committee Member	Title	Status	Arrived	Departed
Sue Deigaard		Present		
Myrna Guidry		Absent		
Bridget Wade		Present		
Judith Cruz		Present		

Staff:

Millard House II, Superintendent
August Hamilton, Chief of Staff
Teresa Corrigan, Interim Chief Audit Executive
Catosha Woods, General Counsel
Alexis Licata, Officer, Business Logistics & Purchasing
Scott Gilhousen, Chief Technology Officer
Glenn Reed, Chief Financial Officer
Melanie Evans-Smith, Special Asst. to Deputy Superintendent
Damien Randle, Manager, Information Technology
Emily Smith, Executive Director, Board Relations
Janet Conroy, Manager, Board Services
John Gerwin, Manager, Construction Audit
Melinda Ransome, Senior Construction Auditor
Liping "Lee" Huang, Audit Manager, Support Services

Other: Lisa McBride, partner, Thompson & Horton
Doris Delaney, Texas Education Agency (TEA) conservator
Elizabeth Logan, community volunteer
Jim Grady, Alvarez & Marsal

MEETING CALLED TO ORDER - PURPOSE

Committee Chair Sue Deigaard called the Audit Committee meeting to order at 3:04 p.m. and declared the committee convened to consider matters pertaining to HISD as listed on the duly posted meeting notice.

SPEAKERS TO AGENDA ITEMS (IF CONVENED AS SPECIAL MEETING)

There were no registered speakers.

ADJOURN TO CLOSED SESSION

The committee adjourned to closed session at 3:05 p.m.

RECONVENE IN OPEN SESSION

The committee reconvened in open session at 3:36 p.m.

CONSIDERATION AND APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

On motion by Trustee Cruz, with a second by Trustee Wade, the minutes of the Audit Committee meeting held on February 9, 2023, were approved.

DISCUSSION ITEMS

ONBOARDING FOR NEW COMMITTEE MEMBERS

Addressed in Audit Committee Training below.

SELECT NEW AUDIT COMMITTEE CHAIR

Trustee Cruz nominated Trustee Deigaard to serve another term as committee chair. Trustee Hernandez seconded the motion, and Trustee Deigaard was re-elected as committee chair.

REVIEW LAST YEAR'S AUDIT COMMITTEE ANNUAL REPORT

Trustee Deigaard asked committee members to review the 2022 Audit Committee Annual Report by the end of the following week and promptly notify her of any changes needed, so that the report could be on the May board meeting agenda for consideration by the full board.

AUDIT COMMITTEE TRAINING

Trustee Deigaard suggested that Audit Committee training should be done every year, and should be offered to the full Board of Education for anyone who wants to participate. Trustee Deigaard recommended scheduling training for June so the new Board of Managers could choose whether to participate in the training or not. She stated that the training should cover general roles and responsibilities. Trustee Deigaard asked Teresa Corrigan, Interim Chief Audit Executive, to find someone to do that kind of training for the committee.

PROJECT 23-01-07: INDEPENDENT AUDITOR FOR ANNUAL FINANCIAL AUDIT

Alexis Licata, Officer, Business Logistics & Purchasing, stated that the district issued a request for quote (RFQ) for an independent auditor in February. The RFQ closed in March. The district received two proposals and the evaluation committee has recommended Weaver, which has done the district's annual financial audits in the past.

PROJECT 23-11-08: INTERNAL AUDIT MANAGEMENT SERVICES

Alexis Licata stated the RFQ for this project was conducted for the Internal Audit Department, issued over Thanksgiving break, and closed in January. This resulted in seven proposals. The evaluation committee narrowed this to the top three vendors for consideration.

INTERNAL AUDIT PLAN

Teresa Corrigan noted that of the 64 audits identified for the approved 18-month internal

audit plan, 19 have been completed, 18 are underway, 11 have been postponed, and two are behind schedule. The Audit Department has been working on 50 audits since January.

AUDIT DASHBOARD

Trustee Cruz noted that she still gets an error message when trying to access the audit dashboard. Damien Randle, Manager, Information Technology, stated that Prosper Williams, Senior User Device Administrator, would be visiting trustees individually to make sure their devices are properly set up to access the dashboard.

AUDIT FINDINGS AND RECOMMENDATIONS

Teresa Corrigan stated that 11 audit reports have been issued this quarter, resulting in 48 audit findings/recommendations. Of 471 older audit recommendations, 435 have been addressed and 36 are expected to be addressed by May or later this year. These had initially been planned to be completed by March, but due to special circumstances (including staff issues), their closure is delayed.

ETHICS AND COMPLIANCE UPDATE

Ethics and Compliance has 148 open cases from the Ethics Hotline.

Teresa Corrigan reviewed the following as Ethics and Compliance goals:

- Increase awareness and management of the Ethics Hotline
- Conduct investigations thoroughly and efficiently ensuring appropriate communication throughout
- Improve roll-out and compliance with Children's Internet Protection Act (CIPA) to improve internet safety for students
- Oversee E-Rate program compliance
- Continue to identify, investigate, and help prevent conflicts of interest and financial improprieties at HISD
- Ensure vendors with direct contact with students are cleared (i.e. criminal history verified) to work at HISD
- Educate employees on risk and controls to help support ethical compliance with laws, regulations and HISD policies

ADJOURNMENT

There being no further business, the meeting adjourned at 4:41 p.m.