

Audit Committee Report

October 2024



At the September 13, 2024, Audit Committee meeting, all three committee members were present: Janette Garza Lindner (chairperson), Ric Campo, and Adam Rivon. A member of the public and a reporter from the Houston Chronicle were also in attendance.

- The committee met from 1:04 p.m.–2:03 p.m.
- Representatives of the external internal auditing firm, RSM, provided a status update on the fiscal year (FY) 2024 *Internal Audit Plan* and the upcoming FY 2025 *Internal Audit Plan*. RSM also reviewed Audit Committee/board reporting procedures and explained the definitions of observation risk ratings low, moderate, and high.
- RSM stated there is one remaining project for the FY 2024 *Internal Audit Plan*, Records Management Process, which should be ready for presentation at the November 5, 2024, Audit Committee meeting.
- The report on Activities Funds Review was expected to also be presented in November, but RSM finished early and presented it at the September Audit Committee meeting. RSM evaluated Lamar High School and T.H. Rogers School. They made no observations at T.H. Rogers and two at Lamar. One observation was identified as low risk and the other identified as a moderate risk rating. The observations at Lamar were compliance-focused, including incomplete documentation and review of deposit slips and cash receipts. As recommended, management planned to address these issues with training, with a target date of September 27, 2024, for completion.
- The first internal audit projects for FY 2025 will be Extra Duty Pay, District Timekeeping/Overtime, and Districtwide Activity Funds Review. These are expected to be presented at the Audit Committee meeting currently planned for January 28, 2025.
- Committee Chair Garza Lindner noted that the annual audit report for 2023–2024 is now based on the fiscal year. It had been based on the calendar year, which was confusing as it was out of alignment with other audit reporting.

- The committee held a confidential discussion for the purpose of seeking advice from legal counsel. No action was taken nor decisions made as a result of the discussion.
- The minutes of the September 13 Audit Committee meeting will be reviewed for approval by the committee at its next meeting, scheduled for November 5, 2024. Once approved, the minutes will be posted on the Audit Committee website at <https://www.houstonisd.org/domain/51770>.
- The audit plan and all final internal audit reports are posted on the Internal Audit website at <https://www.houstonisd.org/domain/40609>.