

**MEETING MINUTES OF THE  
AUDIT COMMITTEE  
FORT WORTH INDEPENDENT SCHOOL DISTRICT**

The Audit Committee of the Fort Worth Independent School District held a meeting on October 25, 2011 with a quorum present. A copy of the notice of the meeting was posted in compliance with the Open Meetings Law.

**1. CALL TO ORDER**

Mr. Robbins called the meeting to order at 3:30 p.m. in room NE229B of the Administration Building with a quorum present. The meeting was attended by the following individuals.

**Audit Committee Members Present**

Norman Robbins, Chair  
Christene Moss, Co-Chair  
Dr. Ann Sutherland

**Other Board Members Present**

Dr. Carlos Vasquez

**Audit Committee Advisory Members**

Aljon Lovelace

**District Personnel Present**

Steve Shepherd, Chief Internal Auditor  
Hank Johnson, Chief Financial Officer  
Elsie Schiro, Controller  
Linda Vaughn, Asst. Controller  
Jon Stevenson, Sr. Accountant  
Walter Dansby, Interim Superintendent  
Bertha Whatley, Chief Legal Counsel  
Holly Kephart, Audit Administrative Associate

**Private Citizens**

Anael Leubanos

**Weaver & Tidwell, L.L.P**

Jerry Gaither  
Kerry Caves  
Jackie Gonzales

**2. ACTION ITEMS**

**A. Approve Minutes of September 13, 2011 meeting**

The September 13, 2011 meeting minutes were approved.

**3. DISCUSSION ITEMS**

**A. External Auditors**

Mr. Jerry Gaither gave a detailed review of the draft management letter regarding the financial statements and governmental activities for the District that ended June 30, 2011. He communicated to the Audit Committee that their work included testing of internal controls for significant transaction cycles to determine they are operating as designed, testing of internal controls over major federal financial assistance, testing of compliance with major federal financial

assistance, as well as requirements and testing of laws and regulations that would have a direct impact on the effect of the financial statements. Mr. Gaither went on to say that they found no issues to report on internal controls and their opinion was an unqualified opinion. He then indicated that progress had been made in implementing prior years' recommendations. The auditors anticipate the final reports being included in the Board packets that will be sent out for the November 15<sup>th</sup> meeting.

**B. Campus Audit Scorecard**

Mr. Shepherd presented a template for a campus audit scorecard that has been used for the past year for every campus audit conducted. The scorecard is based upon the audit program used for those campus audits. Mr. Shepherd requested discussion on the Committee's stance on continuing the scorecard. The Committee approved the continued use of the scorecard in campus audits.

**C. Fraud Hotline Summary**

Mr. Shepherd summarized the number of calls received for last year's hotline. For the year the hotline received 27 calls of which 5 were referred to the Office of Professional Standards, 2 to Safety and Security, 10 to Leadership, 3 to Administration, 1 to Risk Management, and 6 that were handled internally, of which 1 resulted in an audit report being issued. The Committee expressed an interest in seeing more detailed information regarding the kinds of calls coming in and a summary of how each call was handled. Mr. Shepherd agreed to go back and further condense the report and also get with Mrs. Whatley to implement future training on the kinds of things to look for and to report as stated in Board Policy.

**D. Agenda Items, Date, and Time for Next Meeting**

The next BAC meeting is scheduled for **Tuesday, January 17, 2012 at 4:00 p.m.**


**5. COMMENTS**

Mr. Johnson brought it to the attention of the Committee that a check that had been issued to a vendor had been tampered with and cashed. The appropriate authorities will be contacted to do an investigation and the bank will reimburse the funds.

**6. ADJOURN**

Mr. Robbins adjourned the meeting at 4:55 p.m. Minutes recorded by Holly Kephart.

Attest:



Norman Robbins, Chair  
Audit Committee

1/17/12  
Date