

**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 September 13, 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 4:02 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

District Personnel Present

Steve Shepherd, Chief Internal Auditor
Hank Johnson, Chief Financial Officer
Elsie Schiro, Controller
Walter Dansby, Interim Superintendent
Holly Kephart, Audit Administrative Associate

Private Citizens

Anael Leubanos
Don Anderson

Weaver & Tidwell, L.L.P

Kerry Caves
Jackie Gonzalez

2. ACTION ITEMS

A. Approve Minutes of June 7, 2011 meeting

The June 7, 2011 meeting minutes were approved.

3. DISCUSSION ITEMS

A. External Auditors

a. Audit Procedures and Policies

Mr. Caves sent a letter to Mr. Robbins stating that Weaver would follow generally accepted auditing standards and OMD Circular 133; Mr. Robbins circulated that letter to the rest of the Audit Committee members. Mr. Caves stated that the purpose of the audit is to plan and perform reasonable but not absolute assurance that the District's financial statements are free from material misstatements. Absolute assurance would involve looking at every transaction, so significant and risk areas were analyzed and are where most of their attention was focused. The audit also looked at the District's internal controls that were in place but it did not include providing an opinion on that area. Field work on the audit began on August 15, 2011 and is still in process, but there have been major improvements from last year. There has been nothing to come up that leads the auditors to believe that they are not on track to complete the audit in a timely manner.

b. Erate

Dr. Sutherland requested Weaver to audit the rules and reception of the ERATE funds and where the money was spent. Mr. Caves stated that Weaver could perform that work as a requested procedure. Mr. Shepherd stated that there would be a cost associated with Weaver's additional work. Mr. Robbins stated that it might be more appropriate for Internal Audit to perform this work. Mr. Shepherd stated that Internal Audit could perform the ERATE audit as part of this year's plan.

B. Board Policy BDB Local

a. Advisory Members

The Committee discussed an adjustment to the policy that will include at least one person from the community while requiring Advisory Members to be certified as a CIA or a CPA. A separate paragraph in the policy will define the role of the Advisory Members. Mr. Shepherd and Mr. Johnson will get together to discuss the final language details and seek the approval of the Audit Committee before presenting to the full Board for approval.

b. Alternate Members

The Committee agreed that the Alternate Member verbiage in the proposed Board Policy change was acceptable.

C. IT Audit-Bond Expenditures

Ms. Moss requested an audit of IT expenses incurred by the bond program. Mr. Shepherd stated that an IT audit had been approved as part of this year's Audit Plan and that the objectives of the audit could be tailored to focus on Ms. Moss' request. The Committee approved the revised objectives for the planned IT audit.

D. Campus Financial Transaction Requirements

Dr. Sutherland requested that discussion of this item be postponed until other interested parties could attend the discussion.

E. Agenda Items, Date, and Time for Next Meeting

The next BAC meeting is scheduled for **Tuesday, October 25, 2011 at 4:00 p.m.** in Room NE229 B.

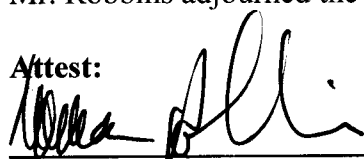
5. COMMENTS

Mr. Shepherd indicated that he has heard nothing but positive comments from Principals about the new mandatory training for Principals and financial secretaries by Accounting.

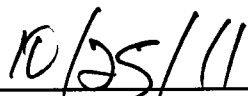
6. ADJOURN

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

Attest:



Norman Robbins, Chair
Audit Committee



Date