

**Background:**

Minutes of the October 13, 2015, Audit Committee meeting are included for your review.

**Audit Committee — Agenda Item 3**

**Expected Action:**

The Committee will review, revise as appropriate and approve.

## **AUDIT COMMITTEE MEETING October 13, 2015 — MINUTES**

Committee Members Present

Kristen Cox, Chair  
Mary Durham, Council Chair  
Scott McAvoy  
Amy Sharp

Committee Members Absent

John Thomas

Guests Present

Daniel Graves, Weaver &  
Tidwell

Staff Present

Beth Stalvey, Executive  
Director  
Martha Cantu  
Joanna Cordry  
Jessica Ramos  
Joshua Ryf  
Koren Voge

### **Call To Order**

The Audit Committee of the Texas Council for Developmental Disabilities convened on Tuesday, October 13, 2015, at the offices of Weaver & Tidwell LLP, 1601 South Mopac Expressway, Suite D-250, Austin, TX 78746. Committee Chair Kristen Cox called the meeting to order at 1:48 PM.

**1. Introductions**

Committee members, staff and guests were introduced. Committee member John Thomas participated as a non-voting member through conference call.

**2. Consideration of Minutes**

The Committee reviewed the minutes from the November 5, 2014, Committee meeting. No revisions were offered.

**MOTION:** To approve the minutes of the November 5, 2014, Audit Committee meeting as presented.

**MADE BY:** Mary Durham

**SECOND:** Scott McAvoy

The motion **passed** without opposition. Kristen Cox & Amy Sharp abstained from voting.

**3. Procedures and Controls Internal Audit Report**

Daniel Graves, Senior Manager from Weaver & Tidwell LLP, presented the findings from the 2015 internal audit on TCDD procedures and controls. An overall assessment rating of “satisfactory” was awarded. Graves explained the Year 1 audit conducted for TCDD was a review of general operations and provided high-level feed-back for the organization. The objectives of the audit were:

1. Verify that policies and procedures of the Council are complete, up-to-date, and align with the significant processes of the agency.
2. Verify that TCDD has appropriately designed controls in place to address the risks associated with the significant processes of the agency.

The scope of the audit included:

- Grant Administration
- Agency Communications
  - Website Maintenance
  - External Communications and Advocacy
- Planning and Program Development
- Compliance and Compliance Reporting
- Public Policy
- Operations
  - Governance
  - Budget & Planning
  - Revenue
  - Contract Administration
  - Financial Close & Reporting
  - Accounts Payable & Disbursements
  - Human Resources Administration
  - Information Technology
  - Purchasing
  - Payroll & Benefits

It was noted that activities conducted by the designated state agency, Texas Education Agency (TEA), were not included in the scope of the audit as TEA undergoes its own audit process.

Upon completion of the audit, two general recommendations were offered:

1. Update policies and procedures.
2. Formalize the performance of controls.

TCDD staff are currently working to implement the specific recommendations by the dates provided in the management responses. Executive Director Beth Stalvey specified that the succession planning processes already on file for TCDD staff will be formalized into a TCDD Operating Procedure. Scott McAvoy discussed external resources that could be used in the development of a TCDD Website Administration Procedure

Graves explained the process for submission of the report to the State Auditor's Office by November 1, 2015. He noted that the format for submission is standard for all state agencies and findings from the TCDD report will be incorporated into this standard form. The approved Audit Plan for FY 2016 will also be included in the 2015 report to the State Auditor

#### 4. **Discussion of the 3-year Audit Plan**

Graves next discussed the 3-year Audit Plan for TCDD. He noted that the plan approved by the Council in February 2015 would review Grant Management in FY 2016 and Website Maintenance in FY 2017. After discussions with staff, it was determined that Website Maintenance should be reviewed in FY 2016 to avoid conflicts with the legislative session and Grant Management should be reviewed in FY 2017 due to current staffing resources:

**MOTION:** To recommend Council approval of changes to the 3-Year Audit Plan to include review of the Website Maintenance in FY 2016 and Grant Management and Administration in FY 2017.

**MADE BY:** Amy Sharp

**SECOND:** Mary Durham

The motion **passed** unanimously.

**5. FY 2015 Annual Internal Audit Report**

The Committee discussed the requirements of the report to be submitted to the State Auditor's Office (SAO). It was noted that this report must be posted to the TCDD website within 30 days of submission to the SAO. Acceptance of the report will need to be formalized by the Council at the November meeting and if revisions are necessary, they can be submitted to the SAO.

**MOTION:** To recommend Council approval of the FY 2015 Annual Internal Audit Report.

**MADE BY:** Scott McAvoy

**SECOND:** Mary Durham

The motion **passed** unanimously.

**6. Other Discussion Items**

No further topics were offered for Committee discussion.

**Adjourn**

Committee Chair Cox adjourned the Audit Committee at 2:22 PM

Beth Stalvey, Secretary to the Council      Date