



# UNITED INDEPENDENT SCHOOL DISTRICT INFORMATIONAL ITEM

**TOPIC:** Business Committee's Report to Board Pursuant to SAS 114

**SUBMITTED BY** William B. Johnson **OF:** Board Member

**APPROVED FOR TRANSMITTAL TO SCHOOL BOARD:** \_\_\_\_\_

**DATE ASSIGNED FOR BOARD CONSIDERATION:** November 18, 2008

On Tuesday, November 11<sup>th</sup>, the District's external auditing firm, Garza, Gonzalez & Associates presented to the committee their audit plan and status of the external audit. The partner, Eleazar Mendoza, CPA and the In-Charge auditor, Ruben Martinez, CPA represented the firm.

The discussion on the audit plan included an explanation of the scope of the audit in accordance with generally accepted auditing standards and government auditing standards. The firm will perform a "Single Audit" as required by Federal law for all federal grants. The firm will also review the District's Comprehensive Annual Financial Report for compliance with GFOA's Certificate of Excellence in Financial reporting program requirements.

The audit timeline and deadlines were provided which included the audit planning stages starting in August 2008; audit field work in September and the year end fieldwork which is expected to be completed this month. The presentation of the audit is scheduled for December 2008 with the audit report due to the Texas Education Agency by January 28, 2009 and the CAFR due to GFOA by February 28, 2009.

The audit work plan was explained in three distinct stages. The first stage is the audit planning objective which is to perform a risk assessment of material financial statement misstatements due to error or fraud. The second stage of the audit work plan is the interim fieldwork objective which is to test internal controls over significant business processes and perform the Single Audit planning and testing. The final stage is the year-end fieldwork which includes performing audit procedures over financial statements, footnotes and other reporting requirements.

It was reported United ISD qualifies as a low risk auditee and the major programs which they tested were ESEA Title I Part A and Title III, Part A-English Language Acquisition. A preliminary finding reported, which management is aware of and have taken corrective action, is the unaccountable travel allowances charged to Federal programs.

The Financial Statement reports and other communication to the board will be delivered during the December meetings.