

Internal Auditor for TCDD	Tab 20
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Background:
 As staff reviewed last quarter, Jaye Stepp, the TCDD Auditor, returned to full-time employment with a state agency and left Rupert & Associates, PC, September 1st. Rupert & Associates no longer have other qualified internal auditors and chose to not renew the contract for internal auditing services with TCDD for FY 2015. TCDD Operations Coordinator Cantu coordinated with TEA to solicit proposals for internal audit services beginning this fall. A review team consisting of Audit Committee members Andy Crim and Scott McAvoy, and TCDD staff Roger Webb, Martha Cantu, and Sonya Hosey met on October 1, 2014, to review the proposal received from Weaver & Tidwell with representatives from Weaver, Daniel Graves, CPA and Adam Jones, State Government Services Advisor.

TCDD Policies provide for the Audit Committee to make a recommendation to the Council concerning the internal auditor. The Committee will discuss the proposal from Weaver with members of the interview team prior to making a recommendation to the Council. Behind this tab is a one-page, tri-fold handout that summarizes Weaver’s proposal for internal audit services for TCDD. This handout will assist Council Members to familiarize themselves with the services of Weaver prior to these discussions. A longer summary of the proposal from Weaver will be available at the Audit Committee meeting.

<u>Audit Committee</u> <u>Agenda Item 3.</u>	<u>Expected Action:</u> The Committee will review the proposal for internal audit services for TCDD and may make recommendations to the Council for the selection of an internal auditor.
<u>Council</u> <u>Agenda Item 8.</u>	<u>Expected Action:</u> The Council will review consider recommendations from the Committee.

ENGAGEMENT APPROACH

Overview

Risk Assessment

- Develop structure and methodology
- Determine risk profiles and assign ratings
- Perform assessment

Internal Audit Plan

- Prepare division-specific audit plans
- Determine areas requiring annual reviews
- Plan approval

Internal Audit Execution

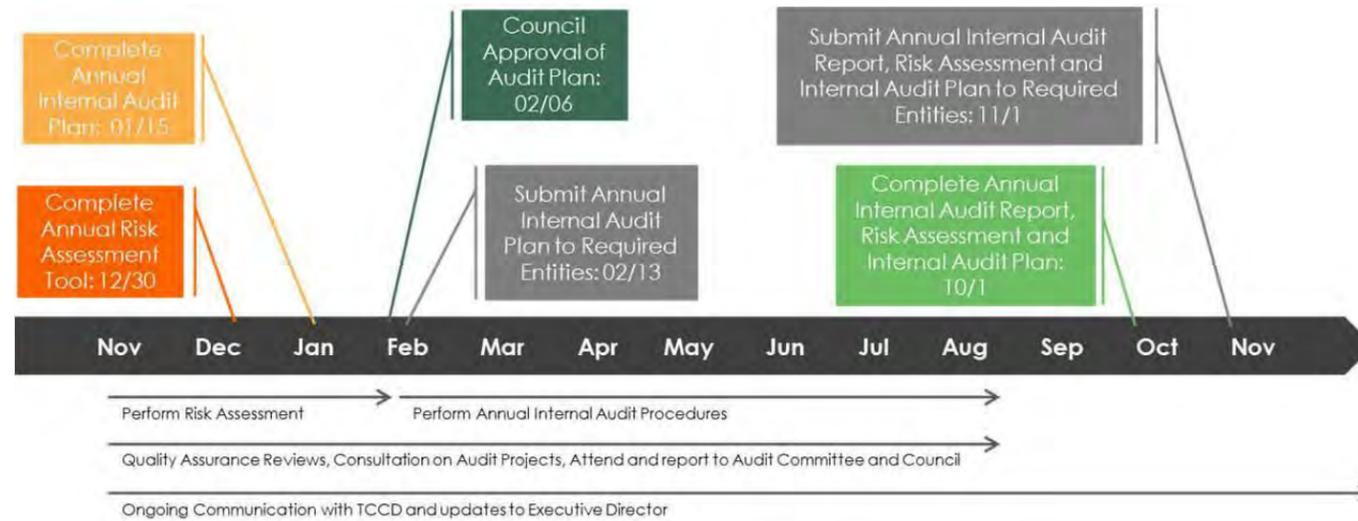
- Review risk and determine scope
- Perform internal audit procedures
- Provide reporting and recommendations

Reporting

- Compile results and issue internal audit reports
- Prepare Annual Internal Audit Plan
- Present results

Key Milestones

Weaver will work with TCDD to minimize impact on TCDD staff and maximize efficiency of our resources. Our approach is collaborative, with a focus on continuous communication throughout.



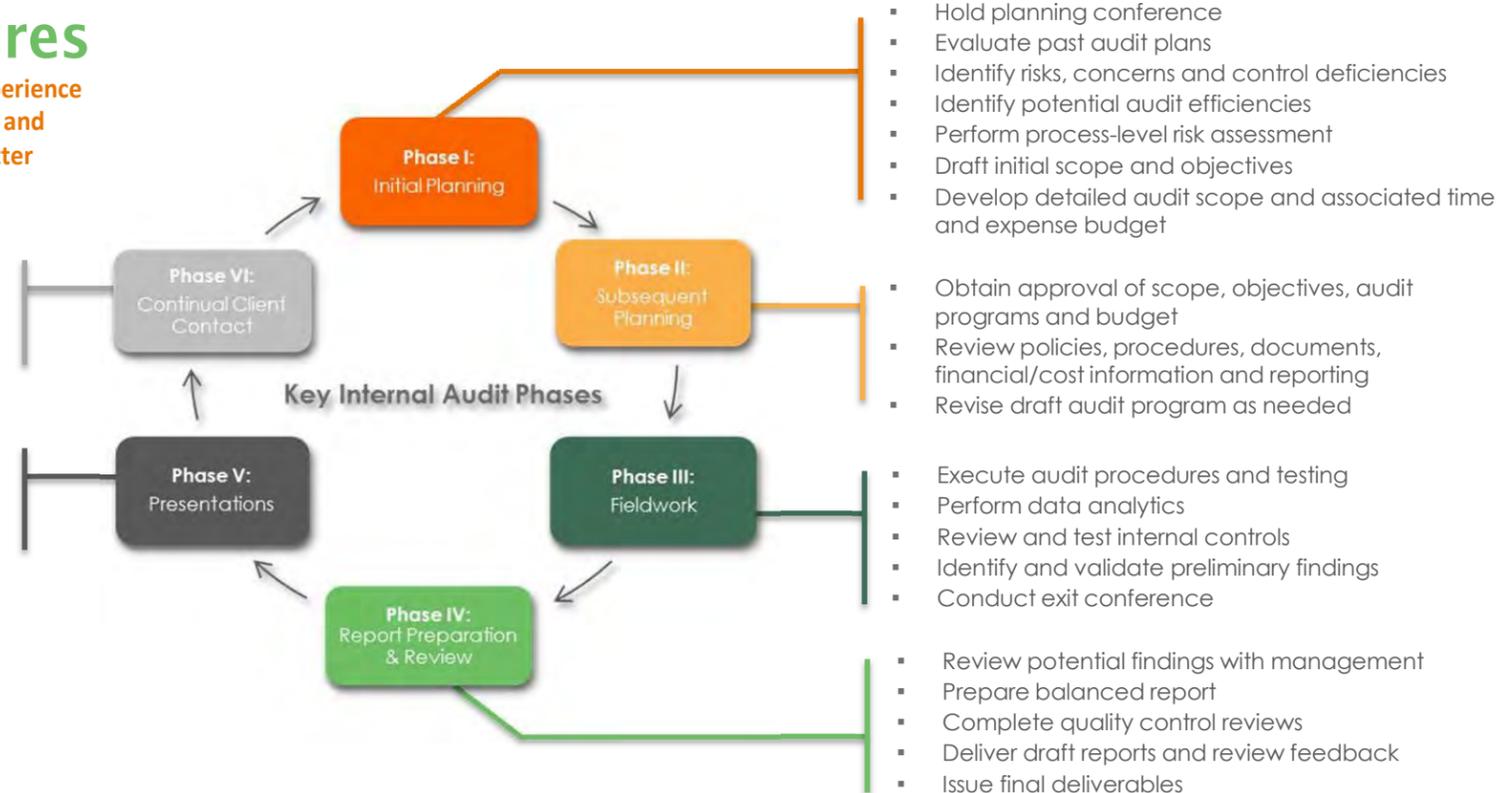
NOTES

Internal Audit Procedures

Weaver will leverage our extensive multidisciplinary experience providing internal audit services for government entities and nonprofit organizations, along with in-house subject matter expertise, to help TCDD achieve its strategic goals.

- Answer client questions throughout the year
- Provide access as needed to Weaver SMEs
- Communicate new issues affecting TCDD operations
- Answer questions regarding implementation of PFCs

- Conduct entrance conferences
- Present progress reports
- Conduct exit conferences
- Present reports to management



TEAM LEADERSHIP

Alyssa G. Martin, CPA, MBA
Engagement Partner

- 25+ years of experience in public accounting, including 17 years of internal control process and risk management experience
- Focus on operational analysis, internal audit, risk management, IT audits, fraud prevention and quality assurance reviews, with clients such as ERS, Austin Community College, CPRIT, Houston-Galveston Area Council, and the North Central Texas Council of Governments and Texas Military Forces

Daniel Graves, CPA
Senior Manager, Risk Advisory Services

- 9+ years of experience in public accounting, including seven years of internal control process and IT risk management, with a focus on internal audit, risk assessment, internal control consulting, IT audit, fraud prevention and business process management/improvement
- Managed engagements for clients such as CPRIT, Texas Military Forces, Austin Community College and the North Central Texas Council of Governments

Adam Jones
Advisor, State Government

- 20+ years of experience in Texas State Government
- Nine years as Deputy Commissioner and COO of the TEA, where he chaired the Fraud, Risk Assessment and Compliance Committee

COST EFFICIENCY

Weaver understands the importance of cost efficiency for public sector organizations. We take a function-specific approach, staffing the right resources at the right time, so our overall engagement fee of \$37,700 is based on a **blended, flat rate of \$145 per hour**—regardless of staff level.

OUR QUALIFICATIONS

Advisory Services

Risk and IT Advisory Services.

- Advisory Services for hundreds of clients across the state of Texas
- Interdisciplinary team with a holistic approach
 - Internal Audit: independent, objective assurance and consulting
 - IT Advisory: IT audit, governance and compliance
 - Data Analytics: increasing efficiency and fraud prevention/detection

Public Sector Focus

Weaver's dedicated Public Sector practice includes more than 120 professionals focused on providing specialized services for the complex needs of public sector entities.

- More than 300 government, education and nonprofit clients
- Active participation and membership in standards-setting bodies, including the AICPA, GFOA, and IIA
- State government services advisor with 20+ years' experience in Texas state government

Representative Clients

Weaver provides a complete range of assurance and advisory services to a wide array of public sector and nonprofit entities.



THE WEAVER DIFFERENCE

Partner Involvement

- Oversight and collaboration during the audit
- Year-round communication

Collaboration

- Focus on long-term strategy
- Alignment with TCDD operations and personnel skills and availability

Holistic Approach

- Leverage in-house specialists, including information technology and government services SMEs

Audit Efficiency

- Minimize work allocated to TCDD and information requests
- Electronic work paper management

Function-Specific Staffing

- Customized to TCDD's needs over time
- Year-to-year continuity

Internal Audit Services
Texas Council for
Developmental
Disabilities

October 1, 2014

