EL PASO
INDEPENDENT
SCHOOL DISTRICT

AUDIT PLAN

Prepared by	Internal Audit
Approved on	April 18, 2017
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Fiscal Year	2017-2018

Submitted by:

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Approved by the Board of Trustees:

Trent Hatch, President
Board of Trustees

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ABBREVIATIONS LIST

AP	Audit Plan
CAP	Corrective Action Plan
EPISD	El Paso Independent School District
IA	Internal Audit
IIA	Institute of Internal Auditors
IPPF	International Professional Practices Framework

Introduction and Criteria (AP01)

Introduction

The International Standards for the Professional Practice of Internal Auditing (*Standards*) and Board Policy CFC (Local) require an annual risk-based Audit Plan be developed to determine the priorities of the Internal Audit Department.

The Internal Audit Department has completed its annual Risk Assessment leading to the development of the Audit Plan for fiscal year 2017-2018. The audit plan establishes the framework for the activity of the El Paso Independent School District's (EPISD) Internal Audit Department.

The Internal Audit Department's activities outlined in the Audit Plan support the El Paso Independent School District's Strategic Priority to "Lead with Character and Ethics" and Board Goal 2, "Implement an accountability system for major district programs and Initiatives."

Definition of Internal Auditing and Mission Statement

According to the International Professional Practices Framework (IPPF), "The Definition of Internal Auditing states the fundamental purpose, nature, and scope of internal auditing. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."

The mission of the Internal Audit Department is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The Internal Audit Department is committed to certain values in carrying out its mission:

- Providing excellent service to our customers including the Board, employees, students, and the community of the El Paso Independent School District.
- Maintaining independence, objectivity, and confidentiality in the performance of our work.
- Performing our work in accordance with professional standards established by the Institute of Internal Auditors (IIA).
- Adhering to the highest degree of fairness, integrity, and ethical conduct.
- Characterizing our relationships with the Board, employees, and community of the El Paso Independent School District with respect, helpfulness, openness, and transparency.
- Maintaining our professionalism as internal auditors through continuance of our education and training.

Internal Audit Policy and Charter

Board Policy CFC (Local) requires that the "...Operation practices and procedures of the internal audit department shall be in accordance with the standards for the professional practice of internal auditing and code of ethics, established by the institute of internal auditors, as well as the District's policies and procedures."

Those standards require that the Board of Trustees approve a formal, written Audit Charter, detailing the purpose, authority, and responsibility of the internal audit function. The Board of Trustees approved the current Audit Charter in June 2016.

Responsibilities

The Chief Internal Auditor is responsible for developing a risk based audit plan and submitting it to the Board for review and approval. The audit plan should be dynamic and flexible to ensure Internal Audit can be responsive to changes from unforeseen issues and events during the year.

In conformance with Standard 2010 Planning, the Chief Internal Auditor will "…review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls." Any significant changes required of the plan will be presented to the Board for approval. In accordance with the Internal Audit Charter (CFC Exhibit), the Chief Internal Auditor will provide monthly reports on the internal audit activities and related matters.

The Internal Audit Department staff will remain objective and exercise due professional care in performing their work. Internal Audit staff will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair an internal auditor's judgment.

2017-2018 Audit Plan (AP02)

Audit Plan Development Process

Performance Standard 2010.A1 requires the Audit Plan be based on a documented risk assessment, which is recognized as the preferred process for identifying, measuring, and prioritizing risks based on their likelihood of occurrence and the magnitude of impact. The risk assessment serves as a tool used by Internal Audit to develop the annual Audit Plan since it will help us identify and prioritize the potential areas of high risk, so that focus is placed on the auditable activities of greatest significance. The Risk Assessment methodology and results are included in section AP04 and Exhibit A of this report.

Consistent with our audit planning process, audit approach, and industry practices, we met with District leadership to seek their input on potential Audit Plan projects. The Chief Internal Auditor obtained input from the Board of Trustees regarding areas of concern/high risk and on the potential Audit Plan projects.

We also considered auditable units/activities for which (i) risks were discovered during the performance of our audits or (ii) identified by management as an area of concern. In addition, audit hours are also dedicated to Corrective Action Plan follow-up reviews, carry-forward projects, activities required or recommended as best practices by the IIA Standards, and administrative tasks related to the day-to-day operations of the department.

The Internal Audit Plan, with activities, selection criteria, and risk rating is included in this section. The Audit Plan services/activities are listed in alphabetical within the following sections:
- Assurance Services
- Consulting Services and Other Engagements
- Corrective Action Follow-up Services
- Activities Recommended or Required by the Standards
- Administrative Duties

Assurance Services

The IIA defines assurance services as "…objective examinations of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization." Examples include financial, compliance, system security, and due diligence engagements.

	Audit Plan Services/Activities	Selection Criteria	Risk Rank (Likelihood/Impact)
1.	2016 Bond Program - Consulting Services	Identified as a high risk auditable unit	Medium/High
2.	Athletic Funds Project	Assistance requested by management	High/Medium
3.	Campus and Student Activity Fund Audits	• Administration identified as an area of concern • Per TEA's Financial Accountability System Resource Guide Section 5.5.4.14	Medium/Medium
4.	Special Education Students Participation in Bilingual/ESL Programs	Identified as a high risk auditable unit	High/High

Assurance Services (continued)

Audit Plan Services/Activities		Selection Criteria	Risk Rank (Likelihood/Impact)
5.	Individualized Education Plan (IEP) and SHARS Audit	• Identified as a high risk auditable unit • Administration and Internal Audit identified as an area of concern	High/Medium
6.	Payroll Audits	• Identified as a high risk auditable unit • Administration identified as an area of concern • Internal Audit staff identified as high risk during the performance of our audits	High/High
7.	Purchasing Card Program Audit	Requested by management to assess new activity	Medium/Medium
8.	Student Discipline Audit	Identified as a high risk auditable unit	Medium/High
9.	Vendor Master File Audit	Administration identified as an area of concern	Medium/Medium

Consulting Services and Other Engagements

The IIA defines consulting services, "Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility" Examples include counsel, advice, and facilitation.

Audit Plan Services/Activities		Selection Criteria	Risk Rank (Likelihood/Impact)
10.	Information Technology Security Consulting	• Information Technology auditable units were identified as high risk • Internal Audit staff identified as an area of concern	High/High
11.	Data Center Consulting	Information Technology auditable units were identified as high risk	High/High

Corrective Action Plan Follow-up Services

As it relates to Internal Audit findings and recommendations, according to *Standard* 2500, Internal Audit must "…monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action."

Audit Plan Services/Activities		Selection Criteria	Risk Rank (Likelihood/Impact)
12.	Attendance Audit Follow-up	Follow-up audits are necessary to ensure CAP activities are effectively implemented	Medium/High
13.	Course and Grade Level Changes CAP Follow-up	Follow-up audits are necessary to ensure CAP activities are effectively implemented	Medium/Medium
14.	Course Number Coding and Reporting Audit Follow-up	Follow-up audits are necessary to ensure CAP activities are effectively implemented	Medium/Medium

Corrective Action Plan Follow-up Services (continued)

	Audit Plan Services/Activities	Selection Criteria	Risk Rank (Likelihood/Impact)
15.	Hiring Process Audit Follow-up	Follow-up audits are necessary to ensure CAP activities are effectively implemented	Medium/Medium
16.	Limited English Proficient Audit Follow-up	Follow-up audits are necessary to ensure CAP activities are effectively implemented	Medium/High
17.	Misappropriation of Public Funds Investigation Follow-up	Follow-up audits are necessary to ensure CAP activities are effectively implemented	n/a
18.	Parent Engagement Leader Duties CAP Follow-up	Follow-up audits are necessary to ensure CAP activities are effectively implemented	n/a
19.	Procurement Audit Follow-up	Follow-up audits are necessary to ensure CAP activities are effectively implemented	Medium/High
20.	Student Transcripts Audit Follow-up	Follow-up audits are necessary to ensure CAP activities are effectively implemented	Medium/Medium
21.	TEAMS User Access Management/Provisioning Audit Follow-up	Follow-up audits are necessary to ensure CAP activities are effectively implemented	High/High
22.	Transfer Credits Audit Follow-up	Follow-up audits are necessary to ensure CAP activities are effectively implemented	Medium/Medium

Activities Recommended or Required by the IIA Standards

	Audit Plan Services/Activities	Selection Criteria
23.	Consulting Services	Consulting services may include participating in various team meetings, workgroups, or committees within the District to serve in an advisory capacity to provide management with technical assistance in a variety of areas, and serve as an available resource on risk-related issues.
24.	Contingency Hours	Audit plans are developed based on priorities and estimations of time. Contingency hours are reserved to ensure the risk-based plan is flexible and responsive to change from unforeseen issues and events during the year. The hours are reserved for unplanned projects, as needed, to include: 1. Facilitating external audits conducted by external auditors, TEA, USDE, or other agencies, 2. Coordinating requests for information/documentation from external or law enforcement agencies, and 3. Follow-up on allegations of fraud or significant non-compliance.

Activities Recommended or Required by the IIA Standards (continued)

	Audit Plan Services/Activities	Selection Criteria
25.	Continuing Professional Development	Staff will participate in various courses in subjects directly related to auditing, the IIA'S IPPF, and specific/unique local education agency requirements to enhance auditors' knowledge, skill, and other competencies and meet continuing professional education requirements.
		In an effort to keep abreast of changes in the internal audit profession and best practices in auditing, fraud, school-district operations, and information security management issues, we have set aside hours for staff to participate in professional organizations including the local chapters of the IIA, ACFE, and TASBO.
26.	Ethics and Compliance Handbook	In accordance with professional standards and related practice guides, Internal Audit should maintain an active role that relates to both promoting and assessing ethics throughout the District.
27.	Fraud, Waste, and Abuse Hotline	In accordance with professional standards and related practice guides, Internal Audit should maintain an active role that relates to both promoting and assessing ethics throughout the District. This role may include hosting the District's Fraud, Waste, and Abuse Hotline and conducting fraud investigations (also refer to Reserve for Contingency Hours).
		Hours are set aside for monitoring incident reports received through the Fraud, Waste, and Abuse Hotline. Monitoring includes reviewing, distributing, and tracking the status of concerns reported through the hotline and forwarded to data/process owners for follow-up. Monthly status reports are provided to the Board.
28.	Quality Self-Assessment	To conduct an informal quality self-assessment of Internal Audit Department's implementation of the IIA Standards.
29.	Risk Assessment	Used to establish the risk-based audit plan required by the IIA standards.

Administrative Activities

	Audit Plan Activities	Selection Criteria
30.	Administrative Duties	Strategic activities such as developing the annual audit plan, reviewing staff competency needs, and planning for staff development.
		Operational activities involving designing structures and processes aimed at achieving Internal Audit activity objectives and overall goals of efficiency and effectiveness. This includes hours allocated to: • Assigning auditors to specific projects and allocating/tracking time for engagement activities, • District-mandated training, • Interviewing and hiring new staff members, • Staff appraisals, • Ensuring Internal Audit staff follow policies and procedures, • Monitoring the department's budget, and • Processing payroll and purchase orders

Audit Plan Activities	Selection Criteria
31. Implementation of Audit Management Software	We have set aside hours for Internal Audit staff to implement the Audit Management Software

Allocation of Resources (AP03)

Because we are confronted with virtually unlimited potential projects with limited resources, it is important that we determine the resources (staff chargeable hours and department budget) available to carry out the plan.

The 2017-2018 Audit Plan budget (hours) was initially based on 11,638 chargeable audit hours to be provided by nine (9) full-time equivalent audit professionals (including the Chief Internal Auditor). However, due to budget cuts in the department (one full time equivalent cut as of September 1, 2017), work and chargeable hours have been reduced by 1,544 and 1,457 hours, respectively. See table AP03-1 for calculation of hours.

Table AP03-1: Calculation of Work and Chargeable Hours

Category	9 FTEs	*8 FTEs	Difference
Work Hours Available (days on duty = 226 days)	16,272	14,733	(1,539)
Less:			
Leave hours (estimated)	936	852	(84)
Professional development	578	479	(99)
Administrative duties	3,120	3,216	96
Equals: Chargeable (Direct) Hours	**11,638**	**10,186**	**(1,452)**

*Effective date of change from nine to eight FTEs will be August 31, 2017.

With 90% of our department's expenses devoted to salary costs and uncontrollable costs, such as the District's Fraud, Waste, and Abuse Hotline and the copier/scanner annual lease, we carefully manage all discretionary aspects of our budget. Table AP03-2 provides a summary of the department's budgeted resources for fiscal year 2017-2018.

Table AP03-2 – Internal Audit Department Budget

90%	Salaries and benefits	669,333
	District Hotline	7,875
	Copier/scanner annual lease	2,600
10%	Part-time interns	31,450
	Training (travel and in-town) and resource materials	24,740
	Equipment and software	11,616
	Department supplies and peripherals	5,557
	Memberships (IIA, TASBO, ALGA, and ACFE)	3,025
	In-city travel reimbursement	600
		$ 756,796

Risk Assessment Methodology (AP04)

Criteria

According to the International Standards for the Professional Practice of Internal Auditing (Standard 2010.A1), "The internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process." However, more than a requirement, this process helps Internal Audit make the best use of limited resources, improves the department's ability to impact the District, generates buy in from management, and ultimately creates value.

The Chief Internal Auditor should "…take into account the organization's risk management framework, including using risk appetite levels set by management for the different activities or parts of the organization." However, if a framework does not exists, as the case is for the El Paso Independent School District, the Chief Internal Auditor should "…use his/her own judgment of risks after consideration of input from senior management and the board."

During the risk assessment, the IIA recommends Internal Audit considers "…the organization's size, complexity, life cycle, maturity, stakeholder structure, and legal and competitive environment. Recent changes in the organization's environment (e.g., new regulations, new management staff, new organization structure, new processes, and new products) may have introduced new risks."

Definitions

Risk is defined as the "…possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood." IIA Standards Glossary Definition.

The audit universe consists of an organization's key risk areas (referred to as auditable units) that could be subject to audit resulting in a list of possible audit engagements that could be performed. Auditable units are key departments, programs, functions, or processes in the District that are exposed to sufficient risks where controls should be reviewed.

Risk Assessment Process

A Risk Assessment is recognized as the preferred process for identifying, measuring, and prioritizing risks based on their likelihood of occurrence and the magnitude of impact. The Risk Assessment serves as the primary tool used by Internal Audit to develop the annual Audit Plan since it will help us identify and prioritize the potential areas of high risk, so that focus of our work is placed on the auditable activities of greatest significance.

The Risk Assessment process begins with identifying the "audit universe" which is the sum of all auditable units in the District. We identify the auditable units based on a review of the District's organizational charts, strategic plan, annual budget, emerging risks and trends, and Internal Audit staff's understanding of the current risks impacting school districts. Auditable units included in the Risk Assessment are those that:
•   Contribute to the District's mission, strategic plan, goals, and/or objectives
•   Are sufficiently large to noticeably impact the District
•   Are sufficiently important to justify the cost of a control

Once the audit universe is established, Internal Audit measures the risk using 10 risk factors (in Table AP04-1 below) and a three-point risk factor scale. To help us in determining the score, we gather information relevant to the risk factors through questionnaires completed by the data process owners of each of the auditable units. However, the risk scoring is performed by Internal Audit. Once all auditable units have been scored they are ranked from highest to lowest based on their risk rating (likelihood and impact). Of the 90 auditable units identified in the Risk Assessment 62% are medium risk, 20% are low risk, and 18% are high risk. The 2016-2017 Risk Assessment is included as Exhibit A.

Table AP04-1 – Risk Factors

1	Criticality of Unit	This factor measures the importance of the unit to accomplish the mission of the District. This includes the inability of a unit to provide its service within a required time frame and/or at the expected level.
2	Financial Impact	This considers the overall dollar amount flowing through or committed to the unit/process from all funding sources (e.g. expenditures, grant amount, revenues collected/earned). This evaluates the impact of inappropriate activity from a financial perspective.
3	Level of Information Security	This factor considers the level of confidentiality of the information available/processed/ created/maintained by the unit.
4	Public Sensitivity	This measures the sensitivity of the unit to public exposure of critical internal issues. This considers the potential effect to the District overall as the result of negative information.
5	Internal Controls	This factor measures the effectiveness of the internal controls such as policies, procedures, and monitoring activities to address security of assets, segregation of duties, proper approvals/ authorizations, verifications/reconciliations, accuracy of data, etc.
6	Change in Management and/or Structure	This evaluates the extent of change in the structure of the unit. This includes changes in management and/or key employees and its impact on operations.
7	Changes in the Unit	This considers changes such as new activities and programs, new business processes, or new/changes in the District's priorities/goals.
8	Regulatory Compliance	This evaluates the complexity and volume of compliance regulations from outside entities. This includes any potential financial or non-financial penalties.
9	Complexity of Monitoring Activities	This factor considers the locations/number of locations where activities and the monitoring of these activities take place.
10	Audit History	This considers whether there has been an audit of the unit, the last time an audit was performed, and the results of such audit.

Internal Audit Risk Assessment
Fiscal Year 2016-2017
Organizational Unit: Finance and Operations

Code	Audit Universe	Code	Auditable Unit (Key process, activity, program, function, or department)	Criticality of Unit 10%	Financial Impact 10%	Level of Information Security 10%	Public Sensitivity 10%	Internal Controls 20%	Changes in Mgmt/Struct 5%	Changes in Unit 5%	Regulatory Compliance 10%	Complexity of Monitoring Activities 10%	Audit History 10%	Weighted	Scores Impact	Risk Rating (Likelihood /Impact)
911	Technology Services	911	IT Security	3	1	3	3	3	3	3	2	3	3	17.00	10.00	High/High
727	Financial Services	727	Payroll Process	3	3	2	3	3	1	1	3	3	3	16.00	11.00	High/High
911	Technology Services	911	Network Administration	3	2	3	2	3	3	3	1	3	3	16.00	10.00	High/High
911	Technology Services	911	Disaster Recovery and Business Continuity	3	2	3	3	3	3	3	1	2	3	15.00	11.00	High/High
911	Technology Services	911	Data Center	2	2	3	3	3	3	3	1	2	3	15.00	10.00	High/High
911	Technology Services	911	Business ERP Implementation	3	2	2	2	3	3	3	2	2	3	16.00	9.00	High/Medium
911	Technology Services	911	Change Management	2	2	2	2	3	3	3	1	2	3	15.00	8.00	High/Medium
932	Facilities & Construction	932	2016 Bond Program	3	3	2	3	2	3	3	2	2	3	14.00	11.00	Medium/High
729	Procurement Services	729	Procurement Process	3	3	2	3	1	2	2	3	3	1	10.50	11.00	Medium/High
922	Warehouse Services	922	Controlled Assets Inventory	3	3	2	2	2	2	2	2	3	3	14.00	10.00	Medium/High
727	Financial Services	727	Purchasing Card Program	1	1	3	2	2	3	3	2	2	3	14.00	8.00	Medium/Medium
727	Financial Services	727	Capital Assets	2	3	2	2	2	2	1	2	3	2	12.50	9.00	Medium/Medium
727	Financial Services	727	Campus and Student Activity Funds	2	1	2	3	2	3	1	2	2	3	13.00	8.00	Medium/Medium
729	Procurement Services	729	Vendor Master File	2	2	2	2	3	1	1	2	1	3	13.00	8.00	Medium/Medium
932	Facilities & Construction	932	Project Management and Planning	2	2	2	2	2	2	2	2	2	3	13.00	8.00	Medium/Medium
845	External Funding	845	State Compensatory Education	2	2	2	2	2	2	1	2	3	2	12.50	8.00	Medium/Medium
911	Technology Services	911	E-rate	2	2	2	3	2	3	3	1	3	3	12.00	8.00	Medium/Medium
727	Financial Services	727	Federal/State Time and Effort	1	2	2	3	2	3	1	2	2	2	12.00	8.00	Medium/Medium
935	Operations Support Services	921	Transportation Services - Fleet Management (Inventory and Preventive Maintenance)	3	2	2	2	2	1	1	2	1	3	11.00	9.00	Medium/Medium
733	Budget Department	733	Department and District-wide Budget Process	3	3	1	2	2	1	1	1	2	3	11.00	9.00	Medium/Medium
733	Budget Department	733	Schools Staffing and Budget Process	3	3	1	2	2	1	1	2	2	1	10.00	9.00	Medium/Medium
935	Operations Support	933	Maintenance, Buildings & Grounds - Work Order Process	2	2	2	1	2	1	1	2	2	3	12.00	7.00	Medium/Medium
935	Operations Support Services	961	Food and Nutrition Services - Cafeteria Cash Collection Controls	2	1	2	2	2	3	1	1	2	3	12.00	7.00	Medium/Medium
727	Financial Services	727	General Fund/Special Revenue Accounting	2	1	2	3	2	1	1	3	1	1	10.00	8.00	Medium/Medium
845	External Funding	845	Comparability and Maintenance of Effort Compliance	2	2	2	2	2	1	1	2	1	2	10.00	8.00	Medium/Medium
932	Facilities & Construction	932	Change Orders	2	1	2	2	1	2	2	2	2	3	11.00	7.00	Medium/Medium
935	Operations Support	921	Transportation Services - Bus Routing and Scheduling	3	1	2	2	2	1	1	1	1	3	10.00	8.00	Medium/Medium
911	Technology Services	911	Software Licensing	1	1	1	1	3	3	3	1	3	3	16.00	4.00	High/Low
845	External Funding	845	Title I, Part A Program	2	3	2	3	2	2	1	2	2	2	9.50	10.00	Low/High
727	Financial Services	727	Accounts Payable Process	3	3	2	2	1	1	1	2	2	2	9.00	10.00	Low/High
729	Procurement Services	729	Vendor Contracts	3	2	2	3	1	1	1	2	2	2	9.00	10.00	Low/High
728	Treasury	728	Treasury Management	3	3	2	2	2	1	1	2	2	1	9.00	10.00	Low/High
727	Financial Services	727	Travel	1	1	2	2	2	3	2	2	2	2	12.50	6.00	Medium/Low
845	External Funding	845	Impact Aid	1	1	2	2	2	1	1	2	3	2	12.00	6.00	Medium/Low
845	External Funding	845	Prekindergarten Grant Program	1	1	2	2	2	1	1	2	2	3	12.00	6.00	Medium/Low
935	Operations Support	921	Transportation Services - Fuel Inventory and	1	1	2	1	2	1	1	2	1	3	11.00	5.00	Medium/Low
935	Operations Support	921	Transportation Services - Auto Shop	1	1	2	1	2	1	1	1	1	3	10.00	5.00	Medium/Low
845	External Funding	845	Title II, Part A Program	2	2	2	3	1	1	1	2	2	2	9.00	9.00	Low/Medium
935	Operations Support Services	961	Food and Nutrition Services - National School Lunch Program (Free and Reduced Lunch)	2	2	2	2	1	2	1	2	2	2	9.50	8.00	Low/Medium
935	Operations Support Services	961	Food and Nutrition Services - Breakfast in the Classroom	2	2	2	2	1	2	1	2	2	2	9.50	8.00	Low/Medium
954	Risk Management	954	Risk Management	2	2	3	1	1	1	1	2	2	1	8.00	8.00	Low/Medium
935	Operations Support	931	Custodial Operations	2	1	2	2	2	1	2	1	2	2	9.50	6.00	Low/Low
845	External Funding	845	Title I, Part D Program	2	1	2	1	2	2	1	2	2	2	9.50	6.00	Low/Low
845	External Funding	845	Title III, Limited English Proficient	2	1	2	1	2	2	1	2	2	2	9.50	6.00	Low/Low
922	Warehouse Services	922	Warehouse Operations	1	1	2	1	2	1	1	1	1	2	9.00	5.00	Low/Low

Exhibit A: 2016-2017 Risk Assessment

Internal Audit Risk Assessment
Fiscal Year 2016-2017
Organizational Unit: Finance and Operations

RISK FACTORS

Audit Universe	Auditable Unit (Key process, activity, program, function, or department)	Criticality of Unit 10%	Financial Impact 10%	Level of Information Security 10%	Public Sensitivity 10%	Internal Controls 20%	Changes in Mgmt/Struct 5%	Changes in Unit 5%	Regulatory Compliance 10%	Complexity of Monitoring Activities 10%	Audit History 10%	Weighted Scores		Risk Rating (Likelihood /Impact)
												Impact		
951 Print Shop	951 Print Shop Operations	1	1	2	1	2	1	1	1	1	1	8.00	5.00	Low/Low

Internal Audit Risk Assessment
Fiscal Year 2016-2017
Organizational Unit: Administration, Academics, and School Leadership

Audit Universe		Auditable Unit (Key process, activity, program, function, or department)	Criticality of Unit 10%	Financial Impact 10%	Level of Information Security 10%	Public Sensitivity 10%	Internal Controls 20%	Changes in Mgmt/Struct 5%	Changes in Unit 5%	Regulatory Compliance 10%	Complexity of Monitoring Activities 10%	Audit History 10%	Weighted Scores		Risk Rank (Likelihood/Impact)
Special Education Services	822	MAC/SHARS	3	2	2	2	2	3	2	3	3	3	15.50	9.00	High/Medium
Academics	800A	Dual Language	3	1	2	2	2	3	3	2	3	3	15.00	8.00	High/Medium
Academics	800A	LEP/LPAC	3	2	3	2	2	3	2	3	3	2	14.50	10.00	Medium/High
Special Education Services	822	Special Education Services - IEP/ARD Process	3	2	3	2	2	3	2	3	3	2	14.50	10.00	Medium/High
Administration	817	Student and Parent Services - Student Discipline	3	1	3	3	2	2	3	2	3	2	13.50	10.00	Medium/High
Administration	817	Student and Parent Services - Attendance	3	3	3	3	1	2	2	3	2	2	11.00	12.00	Medium/High
Administration	726	Human Resources - Compensation	3	3	2	2	2	2	1	2	1	2	10.50	10.00	Medium/High
Office of the Chief of Staff	912T	Assessment	3	1	3	2	2	2	3	3	3	2	14.50	9.00	Medium/Medium
Special Education Services	822	Therapy Services	3	1	2	3	2	3	2	3	2	3	14.50	9.00	Medium/Medium
Administration	817	Student and Parent Services - Student Enrollment	3	1	2	2	3	2	2	2	2	2	14.00	8.00	Medium/Medium
Special Education Services	822	SpEd Curriculum and Instruction	3	1	2	3	2	3	1	3	3	2	14.00	9.00	Medium/Medium
Administration	817	Student and Parent Services - Student Transfers	3	1	2	2	2	3	3	2	3	2	14.00	8.00	Medium/Medium
Special Education Services	822	504 Services	3	1	2	2	2	3	1	3	2	2	13.00	8.00	Medium/Medium
Innovation, Design & Development	812	Fund Development and Partnership	3	1	2	1	2	3	3	2	1	3	13.00	7.00	Medium/Medium
Special Education Services	822	Health Services	3	1	3	2	2	1	1	3	2	3	13.00	9.00	Medium/Medium
Administration	817	Student and Parent Services - Graduation	3	1	2	3	2	2	1	3	2	2	12.50	9.00	Medium/Medium
Academics	800A	Active Learning/Power Up	3	2	2	2	2	3	2	2	2	2	12.50	9.00	Medium/Medium
Administration	817	Student and Parent Services - Student Transcripts	3	1	2	2	2	2	1	3	2	2	12.50	8.00	Medium/Medium
Academics	800A	College Readiness (AP/IB)	3	1	2	2	2	3	2	2	2	2	12.50	8.00	Medium/Medium
Academics	800A	Curriculum and Instruction	3	1	2	2	2	3	2	2	2	2	12.50	8.00	Medium/Medium
Innovation, Design & Development	812	College and Career Readiness and Innovation	3	1	2	2	2	2	3	2	2	2	12.50	8.00	Medium/Medium
21st Century Learning & Well Being	813	Career & Technical Education	3	2	2	1	2	3	1	2	2	2	12.00	8.00	Medium/Medium
Administration	726	Human Resources - Benefits	3	2	1	3	2	1	2	2	2	3	12.50	9.00	Medium/Medium
Innovation, Design & Development	807	Student & Family Empowerment	3	1	2	1	2	2	3	2	2	2	12.50	7.00	Medium/Medium
Office of the Chief of Staff	912S	Strategy & Evaluation	2	1	2	2	2	2	2	2	1	3	12.00	7.00	Medium/Medium
Office of the Chief of Staff	914	PEIMS Support Services	3	1	2	1	2	1	3	3	2	1	12.00	7.00	Medium/Medium
21st Century Learning & Well Being	809U	Academic Comp/Speech/Journ	3	1	2	1	2	3	1	1	2	3	12.00	7.00	Medium/Medium
21st Century Learning & Well Being	810	Health, Wellness & PE	3	1	2	1	2	3	1	1	2	3	12.00	7.00	Medium/Medium
21st Century Learning & Well Being	831	Fine Arts	3	1	2	1	2	3	1	1	2	3	12.00	7.00	Medium/Medium
21st Century Learning & Well Being	809	Counseling & Advising	3	1	2	2	1	3	2	3	2	2	11.50	8.00	Medium/Medium

RISK FACTORS

Exhibit A: 2016-2017 Risk Assessment

Internal Audit Risk Assessment
Fiscal Year 2016-2017
Organizational Unit: Administration, Academics, and School Leadership

Audit Universe	Auditable Unit (Key process, activity, program, function, or department)		Criticality of Unit 10%	Financial Impact 10%	Level of Information Security 10%	Public Sensitivity 10%	Internal Controls 20%	Changes in Mgmt/Struct 5%	Changes in Unit 5%	Regulatory Compliance 10%	Complexity of Monitoring Activities 10%	Audit History 10%	Weighted Scores		Risk Rank (Likelihood /Impact)
							RISK FACTORS								
822	Special Education Services	822	IDEA B Compliance	3	2	2	1	2	3	1	3	1	1	11.00	8.00	Medium/Medium
726	Administration	726	Human Resources - Employee Relations	2	1	3	1	2	1	1	2	1	3	11.00	7.00	Medium/Medium
726	Administration	816	Student Ret & Truancy Prevention	2	1	2	2	2	1	1	2	1	3	11.00	7.00	Medium/Medium
726	Administration	726	Human Resources - Hiring Process	3	1	2	2	1	2	1	3	2	2	10.50	8.00	Medium/Medium
726	Administration	817	Student and Parent Services - Leavers	3	1	2	2	2	2	1	3	2	2	10.50	8.00	Medium/Medium
726	Administration	817	Student and Parent Services - Grade Level and Course Grade Changes	2	1	2	2	1	2	1	2	3	2	10.50	7.00	Medium/Medium
714	Office of the Chief of Staff	912A	Accountabilty	3	1	2	3	2	2	2	2	1	1	10.00	9.00	Medium/Medium
726	Administration	726	Human Resources - Employee Records	2	1	3	1	2	1	1	2	2	1	10.00	7.00	Medium/Medium
726	Administration	726	Human Resources - Recuriting and Retention	3	1	2	1	2	1	1	2	2	1	10.00	7.00	Medium/Medium
726	Administration	832	Athletics	2	2	1	2	1	1	1	2	2	3	10.00	7.00	Medium/Medium
809	21st Century Learning & Well Being	809L	Live Materials/Science Resource	2	1	2	1	2	3	1	2	2	3	13.00	6.00	Medium/Low
809	21st Century Learning & Well Being	846	Staff Development	2	1	2	1	2	3	1	1	2	3	12.00	6.00	Medium/Low
808	Academics and School Leadership	803	Academic Support Programs (ROTC)	2	1	2	1	2	1	1	1	2	3	11.00	6.00	Medium/Low
901	Police Services	901	Police Services Operations	2	2	3	2	1	1	1	2	2	2	9.00	9.00	Low/Medium