



# Budget Audit

Audit Plan Code: 22-02

ASSURANCE • INSIGHT • OBJECTIVITY

## Final Report

March 04, 2022

The BEFM staff verify that applicable budget change requests (BCRs) include references to the District's strategic and operating objectives to ensure alignment. In addition, BEFM staff monitor BCRs monthly and make corrections as necessary, increasing accuracy and reducing opportunities for funds to be misapplied. However, we found instances where (i) additional budget requests were not utilized for their intended purpose or allocated to the intended account, and (ii) budget change requests were not properly authorized.



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## Abbreviations

ABR	Additional Budget Request
ARG	Administrative Reference Guide (BEFM Manual)
BCR	Budget Change Request
BEFM	Budget and External Financial Management (BEFM) Office
CAP	Corrective Action Plan
EPISD	El Paso Independent School District (District)
IA	Internal Audit
IIA	Institute of Internal Auditors
SOP	Standard Operating Procedures
TEA	Texas Education Agency
TEC	Texas Ethics Commission



# Executive Summary

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We have completed the Budget Audit. The objectives of the audit were to determine if:

- Additional budget requests were allocated for their intended purpose in the local district-wide account as adopted by the Board.
- Budget change requests and approvals were complete, accurate, authorized, and aligned with the District's strategic and operating objectives.
- The Budget and External Financial Management (BEFM) Office monitored budget change requests for discrepancies and regularly communicated budget changes to identify inefficiencies.

The audit scope included additional budget requests and budget change requests within the general operating fund processed between July 1, 2020, and June 30, 2021 (FY21). The Internal Audit Report that follows includes detailed findings, observations, recommendations, background, and methodology.

We would like to acknowledge and thank the Executive Director of Budget and External Financial Management and her staff who participated in this audit for their time.

## What We Found

The BEFM staff verify that applicable budget change requests (BCRs) include references to the District's strategic and operating objectives to ensure alignment. In addition, BEFM staff monitor BCRs monthly and make corrections as necessary, increasing accuracy and reducing opportunities for funds to be misapplied. The BEFM Office also collaborated with the Analytics, Strategy, Assessment, and PEIMS Department to create a Tableau dashboard for budget owners and District leadership to have timely budget status information.

However, we found:

- Additional budget requests (ABRs) were not always allocated or utilized for their intended purpose as follows:
  - The Instructional Initiative ABR had \$1.8M in outgoing budget transfers from the requesting departments' accounts for purposes other than initially intended and approved by the Board.
  - One (1) of 24 requests within the Instructional Initiative ABR, for \$1M, was not allocated by BEFM staff to the intended miscellaneous contracted services account.
- Budget change requests were not always properly authorized as follows:
  - Two (2) of 15 amendments tested were auto-approved in the Frontline system.
  - The BEFM staff processed two (2) budget change requests (amendments) creating \$548,615 in deficits to multiple accounts.
  - The BEFM staff authorized and used the district-wide account to expedite a department's \$25,000 cross-function budget change request bypassing the required Board approval process.

In addition, we noted the following observations:

- There are no written procedures outlining the responsibility for the district-wide account.
- The BEFM Manual does not address document upload or a listing of acceptable documents for upload when making a budget change request.
- The District does not have a process to monitor the cumulative effects of BCRs and/or trends that could be used by District leadership to identify budget planning inefficiencies.

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## What We Recommend

Internal Audit made 15 recommendations to address the findings and observations reported. Recommendations include:

- The BEFM Office should update their procedures in the BEFM Manual to address additional budget requests, amendments, and transfers to include:
  - limits
  - thresholds
  - authority
  - approver roles
  - justification
  - account set up
  - supporting document upload and record-keeping, and
  - system access review for BEFM staff
- The BEFM staff should work with the Superintendent to assign a budget owner to the district-wide account. They should also develop monetary thresholds to outline the degree of the Superintendent's involvement when her authority is delegated.
- The BEFM Executive Director should work with Leadership to determine the advantages and disadvantages of implementing a BCR monitoring process.

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## Management's Response

Management and leadership agreed with the audit findings. District management and leadership submitted a Corrective Action Plan (CAP) outlining 16 activities to be implemented. Fourteen (14) of the 15 recommendations made by Internal Audit were incorporated into the CAP. For the remaining recommendation, refer to Management and Leadership's response to recommendation 4.1 in the report. The CAP appears to be sufficient to address the findings outlined in this report. Internal Audit will conduct follow-up reviews to validate CAP activities have been implemented.





# Internal Audit Report

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## Objective and Scope

The objectives of the audit were to determine if:

- Additional budget requests were allocated for their intended purpose in the local district-wide account as adopted by the Board.
- Budget change requests and approvals were complete, accurate, authorized, and aligned with the District's strategic and operating objectives.
- The Budget and External Financial Management (BEFM) Office monitored budget change requests for discrepancies and regularly communicated budget changes to identify inefficiencies.

The audit scope included additional budget requests and budget change requests within the general operating fund processed between July 1, 2020, and June 30, 2021 (FY21).

## Results and Recommendations

The BEFM staff verify that applicable budget change requests (BCRs) include references to the District's strategic and operating objectives to ensure alignment. The BEFM staff also monitor BCRs monthly and make corrections as necessary, increasing accuracy and reducing opportunities for funds to be misapplied.

However, we identified five (5) findings related to the allocation/utilization of additional budget requests (ABRs) and the authorization of BCRs.

Detailed findings and corresponding recommendations follow. We would like to thank the Executive Director of Budget and External Funding Management and her staff who participated in this audit for their time.

### Finding 1

The Instructional Initiative ABR had \$1.8M in outgoing budget transfers, from the requesting departments' accounts for purposes other than initially intended and approved by the Board

In FY21, the BEFM Office allocated approved additional budget requests (ABRs) based on the department's/campus' final budget allocation worksheet<sup>1</sup>. Subsequent to their allocation, 17 of 24 (71%) individual requests within the \$3.6M Instructional Initiative ABR, had outgoing transfers from budget owners' accounts. Transfers for eight (8) of these 17 requests exceeded 50% of the original ABR allocation. We cannot provide assurance that the \$1.8M transferred were used for their intended purpose.

The District does not have a monitoring process to ensure ABRs are used for the intended/approved purpose. The 2020 or 2021 BEFM Manuals do not address how to process ABR transfers when excess funds are identified.

Unused and/or transferred ABR funds could be used for other high priority District programs/initiatives, to offset necessary budget cuts, or returned to the fund balance as cost-savings to the District.

<sup>1</sup> The budget owner's 2020-2021 Budget Worksheet Allocations contain the department's description and detail explanation for the ABR purpose, and BEFM's Budget Allocation Summary with request outcome as approved by Cabinet and the Board.

## Recommendations

- 1.1 The BEFM Office should consult with Leadership to determine the cost/benefit of monitoring ABRs to ensure funds are used for the approved purpose. If deemed beneficial, BEFM leadership should work with appropriate stakeholders to develop the monitoring process.

**Management and Leadership Response:** Agreed with the recommendation and incorporated into the CAP as activities one (1) and two (2).

**Persons Responsible:** Director of BEFM and Executive Director of BEFM

**Implementation Date:** 08/31/2022

- 1.2 The BEFM Office should develop a process for transferring excess ABR funds that include written documentation of:

- The ABR's current status
- Justification for change request
- Stakeholders affected by the ABR
- Required approvals of the funds repurpose

In determining required approvals, BEFM staff should include the input from Leadership staff encompassing various departments/campuses. The process should be outlined in the BEFM Manual.

**Management and Leadership Response:** Agreed with the recommendation and incorporated into the CAP as activity three (3).

**Persons Responsible:** Director of BEFM and Executive Director of BEFM

**Implementation Date:** 08/31/2022

## Finding 2

One (1) of 24 requests within the Instructional Initiative ABR, for \$1M, was not allocated to the intended miscellaneous contracted services account

In FY21, the BEFM Office required budget authorities to submit their ABRs through Frontline as part of the department/campus' budget allocation worksheet.<sup>2</sup> According to BEFM staff, a \$1M request for a reading program within the Instructional Initiatives ABR was allocated based on a verbal request from a former Executive Cabinet member. As such, there was insufficient information to determine the proper account string at that time. The BEFM Office responded, "Due to the fact that the department did not formally request the funds with supporting documentation. The BEFM Department earmarked the requested funds within the district-wide allocations noting the intended purpose."

The corresponding department's miscellaneous contracted services account, the intended account, was never created nor were the funds from the general supplies account used. Funds were allocated and available for use in the district-wide general supplies account for 115 days before being fully reduced due to district-wide budget cuts to Early Education Programs.

The BEFM Office provided the following response:

<sup>2</sup> The budget owner's 2020-2021 Budget Worksheet Allocations contain the department's description and detail explanation for the ABR purpose, and BEFM's Budget Allocation Summary with request outcome as approved by Cabinet and the Board.

"The corresponding department's miscellaneous contracted services account, the intended account, was not created; however, the funds were allocated with the intent to transfer to the requesting department once the supporting information was provided. Subsequently, the district was affected by a substantial revenue decrease due to COVID, at which point these funds were identified as part of the \$23M reduction."

## Recommendation

2.1 The BEFM staff should create and allocate appropriate account strings to reserve ABRs based on the intended function, object code, program, and budget unit as approved by the Board. The BEFM staff should follow the BEFM Manual updated as of July 2021 for ABR acceptance. In addition, the BEFM Manual should include instructions for ABR account set up and outline expectations for how to handle deviations.

**Management and Leadership Response:** Agreed with the recommendation and incorporated into the CAP as activity four (4).

**Persons Responsible:** Director of BEFM and Executive Director of BEFM

**Implementation Date:** 08/31/2022

## Finding 3

Two (2) of 15 amendments tested were auto-approved in the Frontline system

The 2020 BEFM Manual Section XI Budget Transfers, Amendments & Reclassifications, 11.1 Budget Amendments, requires departments to have the budget authority, as well as their immediate supervisor's electronic signature for amendments.

The two (2) budget amendments were auto-approved by the same requestor, creator, and final workflow approver in the Frontline system. Both transactions were to correct a prior budget amendment. The amendments were not found to be inappropriate. However, budget change requests should not be auto-approved in the system.

Financial controls are weakened when personnel request and approve their own transactions (amendments). Personnel who have access to enter and approve their own transactions may inadvertently or intentionally misapply funds. Per BEFM, "Both budget transfers in question were auto-approved due to a system error. There was no overlap in the employee's access. We believe this was an isolated incident, however, we have submitted a ticket...to research how the error occurred."

## Recommendations

3.1 The BEFM Office should perform periodic reviews, at least on an annual basis, of their staff's user access to identify if any individuals are authorized in Frontline to approve their own transactions. BEFM should maintain documentation confirming the user access review.

**Management and Leadership Response:** Agreed with the recommendation and incorporated into the CAP as activity five (5).

**Persons Responsible:** Director of BEFM and Executive Director of BEFM

**Implementation Date:** 08/31/2022

3.2 BEFM staff should review transactions for proper levels of authority when processing requests. Transactions found to be requested and authorized by

the same person (auto-approved), in and out of the workflow, should be reviewed to determine the reason and corrected as necessary. If corrections are necessary, documentation should be maintained.

**Management and Leadership Response:** Agreed with the recommendation and incorporated into the CAP as activity six (6).

**Persons Responsible:** Director of BEFM and Executive Director of BEFM

**Implementation Date:** 08/31/2022

## Finding 4

The BEFM staff processed two (2) budget change requests (amendments) creating \$548,615 in deficits to multiple accounts

The deficits affected multiple district-wide “other payroll payments” accounts and a campus “general supplies” account. The deficits were replenished the following month. When accounts are in a deficit, additional transfers must be processed and could affect unintended accounts.

The BEFM staff did not verify funds were available prior to processing the approved amendments. Currently, amendments are processed manually and are not encumbered in Frontline. Because amendments require Board approval, approvals can be delayed up to six weeks. Therefore, when approvals are received, monies from the identified accounts may already be expended.

Frontline has controls in place that should not allow a budget change request to be processed when an account will go into a deficit. The BEFM staff is working with the Information Technology (IT) Department to determine why the controls in Frontline did not work as intended.

## Recommendations

4.1 The BEFM staff should review account balances prior to processing amendment transactions to ensure funding is available. If funding is no longer available as per the requested account, BEFM staff should contact the initiating department for replenishment prior to completing the transaction.

**Management and Leadership Response:** Instead of implementing the recommendation above, BEFM staff incorporated CAP activity seven (7) which states, “BEFM will initiate a discussion with Information Technology and Frontline to identify a solution to avoid transfers from deficit accounts. If a solution is not possible, BEFM will continue to perform monthly reviews of deficits as a mitigating control.”

**Persons Responsible:** Director of BEFM and Executive Director of BEFM

**Implementation Date:** 08/31/2022

4.2 The BEFM staff should work with Frontline through IT to find a solution for the budget change request approval process to:

- Encumber funds marked as amendments.
- Create a flag to separate transfers from amendments and keep in a separate queue until further approvals are obtained.

If Frontline cannot provide a solution, the BEFM Office should develop and document compensating controls to ensure accounts do not go into deficit.

**Management and Leadership Response:** Agreed with the recommendation and incorporated into the CAP as activity eight (8).



**Persons Responsible:** Director of BEFM and Executive Director of BEFM

**Implementation Date:** 08/31/2022

## Finding 5

The BEFM staff authorized and used the district-wide account to expedite a department's \$25,000 cross-function budget change request bypassing the required Board approval process

The department's original request involved increasing one of the functional spending categories and should have been submitted to the Board for approval. Board Policy CE (LOCAL) requires the Board to "...amend the budget when a change is made increasing any one of the functional spending categories."

Per BEFM staff, processing transactions below \$1,000 using the district-wide account to expedite requests was common practice until approximately June 2021. The BEFM Manual does not address budget amendment thresholds or outline the authority for approving such cases. As such, all budget amendments should be presented to the Board for approval.

## Recommendations

- 5.1 The BEFM staff should obtain Board approval when processing all budget change requests that increase one of the functional spending categories as per Board Policy CE (LOCAL).

**Management and Leadership Response:** Agreed with the recommendation and incorporated into the CAP as activity nine (9).

**Persons Responsible:** Director of BEFM and Executive Director of BEFM

**Implementation Date:** 08/31/2022

- 5.2 The Executive Director of BEFM, in coordination with the Superintendent, should determine if amendments that do not increase overall functional spending may be processed as a transfer. If determined to be necessary, the BEFM Office should update the BEFM Manual to address thresholds/limits and levels of approvals needed for these types of amendments.

**Management and Leadership Response:** Agreed with the recommendation and incorporated into the CAP as activity ten (10).

**Persons Responsible:** Director of BEFM and Executive Director of BEFM

**Implementation Date:** 08/31/2022

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## Observations and Recommendations

While conducting this audit, we made three observations for which existing criteria are not clearly defined and local, state, or federal guidelines are not violated. However, we felt the items observed were worthy of informing you as the process owner/expert, for you to determine how it should be addressed.

### Observation 1

There are no written procedures outlining the responsibility for the district-wide account. For example, the account's allowable uses, budget owner, required approvals for BCRs, and monetary threshold levels per authority level are not outlined in the BEFM Manual. Unassigned responsibility weakens financial accountability.

In Frontline, budget ownership of the district-wide account is assigned to the closed position of Chief Financial Officer (CFO) that has been vacant since January 2013. In May 2016, the position of Deputy Superintendent of Finance and Operations (DSFO) replaced that of the CFO. Although the DSFO's position is an authorized budget change approver, it is not the assigned owner of the district-wide account in Frontline. In addition, the DSFO delegated their budget approval to their surrogate. As such, the surrogate<sup>3</sup> was the final approver in Frontline for 81% of budget change requests sampled that affected the district-wide account.

Per CE (LOCAL) Annual Operating Budget, "the Superintendent or chief financial officer shall serve as the fund manager for the district...." The 2020 BEFM Manual Section 2.1 Delegation Authority states, "The Superintendent may delegate responsibilities to other employees of the District but shall remain accountable to the Board for the performance of all duties, delegated or otherwise."

### Recommendations

- 1.1 Because the Superintendent is ultimately accountable for the District's fund management, BEFM staff should work with her to assign a budget owner to the district-wide account. If authority is delegated, the delegate should be made part of Frontline's workflow approval process. In addition, they should develop monetary thresholds to outline the degree of the Superintendent's involvement if her authority is delegated.

**Management and Leadership Response:** Agreed with the recommendation and incorporated into the CAP as activity eleven (11).

**Persons Responsible:** Director of BEFM and Executive Director of BEFM

**Implementation Date:** 08/31/2022

- 1.2 The BEFM staff should update the BEFM Manual to include budget ownership and acceptable uses for the district-wide account. The update should also include established monetary thresholds and approval authority at each level.

**Management and Leadership Response:** Agreed with the recommendation and incorporated into the CAP as activity twelve (12).

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<sup>3</sup> A surrogate is defined as a substitute, especially a person deputizing for another in a specific role or office.

**Persons Responsible:** Director of BEFM and Executive Director of BEFM

**Implementation Date:** 08/31/2022

## Observation 2

The BEFM Manual does not address document upload or a listing of acceptable documents for upload when making a budget change request. Frontline users have the ability to directly upload supporting documentation when submitting a budget change request for review. However, there is inconsistency on when that feature is used and on the types of documents uploaded, if any.

For example, supporting documentation for three (3) of 30 budget change requests tested were initiated by BEFM and were not uploaded in Frontline. The BEFM staff provided supporting documentation upon further request; however, there is not a consistent location for budget change request record keeping. Budget authorities and approvers approve transactions in Frontline. If the supporting documentation is not in Frontline, it may lead to delayed and/or uninformed decision making, unnecessary budget transfers, and/or unknown expenditures.

## Recommendations

- 2.1 Pertinent documents supporting the BCR should be uploaded in Frontline, more so when the request is processed internally by the BEFM Office on behalf of another department.

**Management and Leadership Response:** Agreed with the recommendation and incorporated into the CAP as activity 13, which reads, "BEFM will work and train staff as it relates to acceptable supporting documentation for BCR's."

**Persons Responsible:** Director of BEFM and Executive Director of BEFM

**Implementation Date:** 08/31/2022

- 2.2 The BEFM Office should update the BEFM Manual and training guide to include a listing of required attachments and applicable supporting documents that will enable all approvers to make a well-informed decision. The update should also specify where the support documents should be retained. This requirement should apply to all, including the BEFM Office.

**Management and Leadership Response:** Agreed with the recommendation and incorporated into the CAP as activity fourteen (14).

**Persons Responsible:** Director of BEFM and Executive Director of BEFM

**Implementation Date:** 08/31/2022

## Observation 3

The District does not have a process to monitor the cumulative effects of BCRs and/or trends that could be used by District leadership to identify budget planning inefficiencies. In FY21, the BEFM office processed 4,407 BCRs, 2,699 of which were from the District's local fund accounts, totaling \$275M.

Currently, budget owners have access to review individual transactions and account history through My Accounts in Frontline. In addition, the BEFM Office collaborated with the Analytics, Strategy, Assessment, and PEIMS Department to create a Tableau dashboard for budget owners and District leadership to have

timely budget status information. However, a report specific to BCR trends does not exist and the Tableau dashboard does not include budget change request information.

Without a BCR monitoring process, budget owners/approvers may not be aware of budget change request trends that may lead to budget management inefficiencies. For example, school leadership, who oversee multiple campuses/departments, can use a BCR report to help budget owners (i) identify budget inefficiencies, (ii) identify opportunities for improvement, and (iii) improve accountability within the budget process.

Internal Audit sent a survey to 33 administrators and/or budget approvers regarding BCR reports and communication. Twenty-six (26) out of 33 (79%) recipients responded to the survey. Based on survey results, (Appendix B: Survey Results) 73% of respondents stated a BCR report would be beneficial for budget owners/managers to plan/adjust budgets, identify planning inefficiencies, and train staff as necessary; thus, decreasing transfers processed by the BEFM Office.

## Recommendations

3.1 Based on the high volume of BCRs processed per year, we recommend the BEFM Executive Director present to District leadership historical BCR changes/trends that at a minimum include:

- The number of BCR transactions processed on an annual basis
- The dollar amount of BCR transactions processed
- Campus/departments BCR transactions by volume and dollar amounts

**Management and Leadership Response:** Agreed with the recommendation and incorporated into the CAP as activity fifteen (15).

**Persons Responsible:** Director of BEFM and Executive Director of BEFM

**Implementation Date:** 08/31/2022

3.2 The BEFM Executive Director should work with Leadership to determine the advantages and disadvantages of implementing a monitoring process. If deemed beneficial, BEFM should work with District leadership to develop and implement a BCR monitoring process that:

- identifies inefficiencies,
- identifies opportunities for improvement, and
- improves accountability within the budget process.

**Management and Leadership Response:** Concurred with the recommendation and incorporated into the CAP as activity sixteen (16).

**Persons Responsible:** Director of BEFM and Executive Director of BEFM

**Implementation Date:** 08/31/2022



# Appendix A: Background and Methodology

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## Background

The Budget & External Financial Management (BEFM) Office provides guidance training and support to schools/departments in the implementation of all funding programs to ensure that the District remains in compliance with programmatic and fiscal regulations.

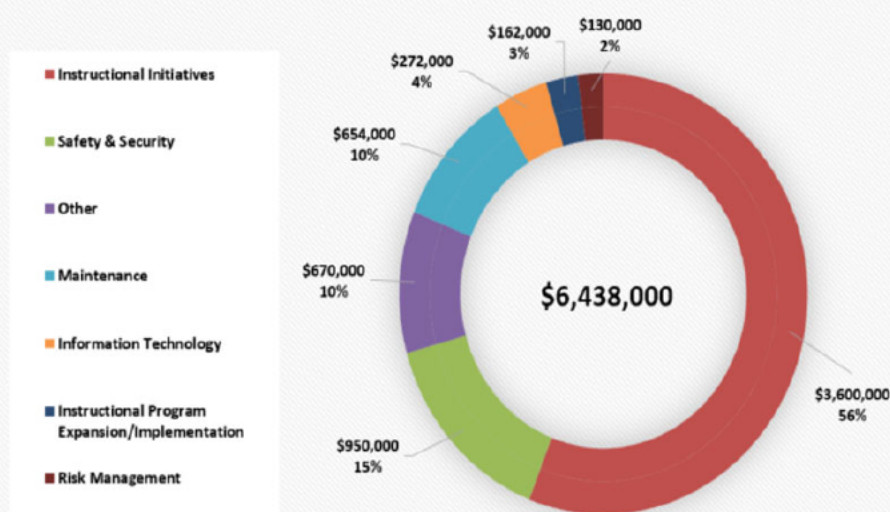
The Board of Trustees (BOT) approved the EPISD 2021 fiscal year (FY21) budget of \$639,742,957 on May 19, 2020. The approved budget included \$6.4M in additional budget requests. In FY21, the BEFM office processed 4,407 budget change requests (BCRs), 2,699 of which were from the District's local fund accounts, totaling \$275M.

### Additional Budget Requests (ABR)

During the budget development process departments and campuses may make additional budget requests (ABR) for the following budget year. The ABRs may include expenses for special programs, initiatives, personnel (new/changes), miscellaneous pay, employee stipends, substitute rates, etc.

The FY21 Board adopted budget included seven (7) ABRs totaling \$6,438,000. Each ABR can be composed of multiple requests. For example, the Instructional Initiatives ABR was composed of 24 requests totaling \$3,564,855 (56% of total ABRs). The Instructional Initiatives ABR was presented to and adopted by the Board for the following: Dual Language, PreK 4 Full Day Expansion, Reading Academies, GT Program and Bilingual Program. Refer to Chart 1 below for breakdown of the seven (7) ABRs.

Chart 1: FY21 Additional Budget Requests



Typically, budget authorities present their additional requests to BEFM staff on an ABR excel form during the budget hearing process where they must justify their proposed ABRs.



The BEFM staff will collect, examine requests, and analyze needs and costs. The ABRs are presented to the Superintendent's Executive Cabinet for review and approval. The BEFM office present the Executive Cabinet approved ABRs to the BOT (i) during Board Budget Workshops for review, and (ii) again for final adoption during a scheduled BOT regular meeting, held no later than June 1.

The ABRs are generally reserved in the district-wide local account with the intended organization's code (dept. /campus) and object code to identify the nature and purpose of the approved funds. The funds may be fully transferred to the intended organization's budget account at the beginning of year, or if/when the funds are needed.

### **Budget Change Requests (BCR)**

Budget change requests are changes to budgets made post-budget adoption. Budget changes are composed of two primary types, amendments and transfers, each following separate processes as outlined in Section XI Budget Transfers, Amendments, and Reclassifications of the BEFM Administrative Reference Guide (also referred to as the BEFM Manual).

Transfers: Pursuant to the *2020 BEFM Manual Section 11.2 Budget Transfers*, campuses and departments are responsible for monitoring their expenditures and budgets. When necessary, campus/department budget authorities may process a transfer to meet expenditure obligations and programs goals or to avoid an over expenditure. The transfer request is then reviewed by BEFM personnel for compliance before finalization in Frontline, the District's Enterprise Resource Planning (ERP) software.

Amendments: Pursuant to *Board Policy CE (LOCAL) – Annual Operating Budget*, the Board of Trustees “shall amend the budget when a change is made increasing any one of the functional spending categories or increasing revenue object accounts and other resources.” Amendment requests are submitted to BEFM personnel for compliance review and preparation for Board review and approval. At times, BEFM personnel will initiate and prepare an amendment for transactions affecting the district-wide budget unit account. The BEFM Office will then complete the Board-approved amendments in Frontline.

The Budget Audit was approved by the Board of Trustees as part of the 2021-2022 Internal Audit Plan.

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## **Methodology**

To achieve our audit objective(s), we:

1. Researched relevant state laws and regulations, Board policies, and the BEFM Manual/guidelines.
2. Used pre-audit self-assessment, internal control questionnaires, and performed walkthroughs to obtain an understanding of the BEFM administrative functions, operations, processes, and controls in place.
3. Performed a risk assessment based on our understanding of the BEFM processes and controls in place.
4. Obtained and analyzed Budget Change Requests (BCR) within the general operating fund for the scope period and selected a representative sample of

30 BCRs (15 amendments and 15 transfers) based on our sampling procedures for each of the tests performed.

5. Selected an Additional Budget Request (ABR) from the Adopted FY21 Budget Book to determine if they were allocated as approved by the Board.
6. Sent out a survey to District's leadership to determine if the BEFM Office communicates BCR trends/changes that may help identify potential efficiencies and training opportunities.

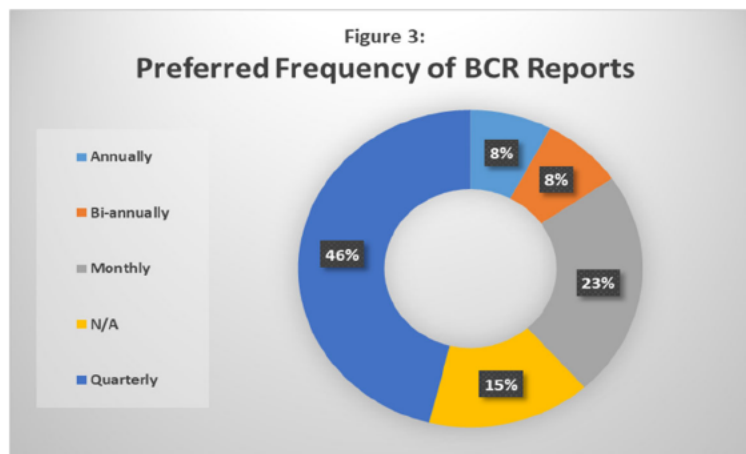
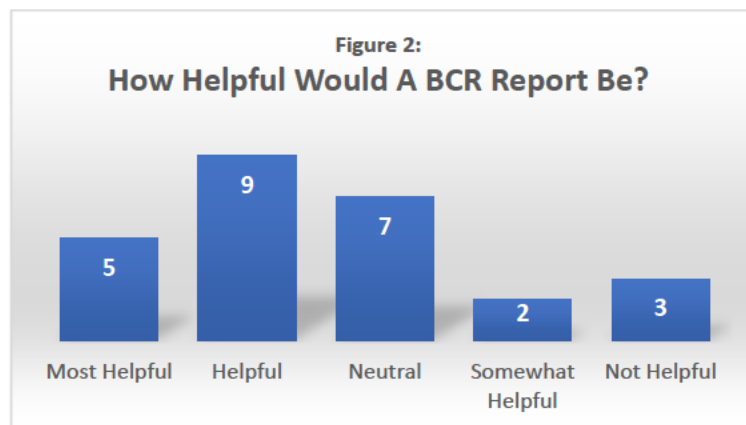
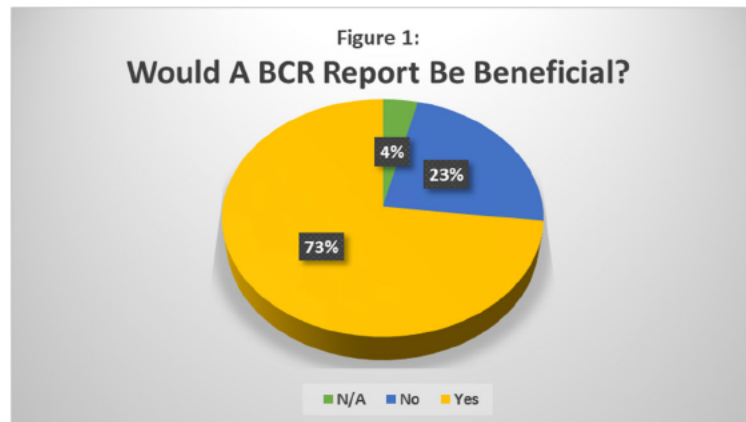
Because of the inherent limitations in a system of internal controls, there is a risk that errors or irregularities occurred and were not detected. Due professional care requires the internal auditor to conduct examinations and verifications to a reasonable extent. Accordingly, an auditor can obtain reasonable, but not absolute, assurance that procedures and internal controls are followed and adhered to in accordance with the federal, state, local policies, and guidelines.



## Appendix B: Survey Results

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Internal Audit sent a survey to 33 administrators and/or budget approvers regarding BCR reports and communication. We used the survey to determine (i) what type of communication is provided to budget owners and (ii) if BCR reports showing changes/trends over time would be beneficial to administrators in identifying potential efficiencies and/or training opportunities. We asked about the preferred frequency of the report and the type of information administrators would like to see in a BCR report (as summarized in Observation #3). Twenty-six (26) out of 33 (79%) recipients responded to the survey. See results below.





## EL PASO INDEPENDENT SCHOOL DISTRICT

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