



Corrective Action Plan Follow-up Review: Contracted Services Audit – Information Technology (IT)

Audit Plan Code: 22-06

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Final Follow-up Report

March 31, 2022

Management implemented the corrective action plan (CAP) with four activities to address the original audit report findings and recommendations. As such, this report represents the close-out of the CAP.



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Abbreviations

CAP	Corrective Action Plan
CIO	Chief Information Officer
EPISD	El Paso Independent School District
IT	Information Technology



CAP Follow-up Report

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Background

The Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing, Performance Standard 2500 - Monitoring Progress, require we "...establish and maintain a system to monitor the disposition of results communicated to management." Internal Audit has established the Corrective Action Plan (CAP) process to meet this requirement. The process includes monitoring and reporting whether management has implemented corrective actions to address audit findings, observations, and recommendations.

Internal Audit issued the Contracted Services – Information Technology (IT) Audit Report (original audit report) to District management and administration on June 3, 2021. The [original audit report](#) (21-05.01) is posted on the EPISD's website. We performed the audit as part of the Board-approved 2020-2021 Internal Audit Plan.

The objective of the original audit was to determine whether IT strategically acquired services by (i) identifying needs, (ii) justifying the decision to undertake the acquisition of services (aka business justification), (iii) aligning the contracted services to the District goals, and (iv) obtaining input from appropriate stakeholders. The scope included information technology contracted services rendered during fiscal years 2019-2020 and 2020-2021 with a cost of \$25,000 or more and recorded in the Information Technology Miscellaneous Contracted Services account (class object code 6299).

The original audit report included two (2) findings and five (5) recommendations. For reference, a summary of the original audit report findings is provided in **Exhibit A**. District management and leadership agreed with our recommendations and developed a corrective action plan (CAP) with 4 activities.

Objective and Scope

The objective and scope of this follow-up review were to determine whether management implemented the 4 CAP activities or took other actions to address the two (2) findings and five (5) recommendations outlined in the Contracted Services - IT Audit Report.

Methodology

To achieve the objective of our follow-up review, we:

- Held meetings and communicated with persons responsible for carrying out the CAP activities.
- Reviewed supporting documentation maintained by management as evidence of completion of the CAP activities provided to Internal Audit.

Inherent Limitations

This was a limited scope follow-up review covering only the actions taken by the administration to address the original audit findings and recommendations stated in the Objective and Scope section of this report. No representations of assurance are made to other areas or periods not covered by this follow-up review.

Summary of Results

CAP Activities	Implemented	Overall CAP Status
4	4	Closed

District management and leadership have implemented all four (4) Corrective Action Plan (CAP) activities in response to the original audit titled: "Contracted Services – Information Technology (IT)" Audit Report.

As a result of implementing the four (4) CAP activities:

- Information Technology (IT) developed and established a flexible but sound foundational business analysis process based on best practices. This new process allows IT to improve its strategic planning by consistently applying and documenting a business analysis before acquiring IT Miscellaneous contracted goods and services. The process is flexible since the levels of needs assessment, analysis, elicitation, and stakeholder engagement depend on the dollar value of the contracted service. In addition, the Chief Information Officer (CIO) could also apply this process to non-Miscellaneous contracted services if increased transparency and accountability are necessary.
- The Procurement and Budget & External Financial Management departments have a supporting role in IT's business analysis planning and their involvement is acknowledged at specific points in the process. The specific points are captured in one of the two forms developed as part of the business analysis process.

CAP Activities and Actions Taken

District management and leadership agreed with the recommendations in the original audit report and incorporated them into four (4) CAP activities. The four (4) activities, the person(s) responsible, and the actions taken are outlined below:

Activity 1 Implemented

Develop and implement Business Analysis Template to include with every IT budgeted contracted services purchasing request over \$25K.

Person Responsible: Chief Information Officer

Action Taken: IT developed and established a centralized formal business analysis (BA) process for IT contracted services recorded under the Miscellaneous Contracted Services account (class object code 6299). This process includes four of the six knowledge areas of business analysis recommended by the Project Management Institute. Two templates were created to aid in documenting the business analysis process which will be kept centralized by the IT Project Coordinator. The CIO will continue to lead and phase in the remaining knowledge areas as familiarity with the process increases among users.

Activity 2 Implemented

Develop and publish a Standard Operating Procedure for Activity 1.

Person Responsible: Chief Information Officer

Action Taken: The Chief Information Officer (CIO) developed and finalized a standard operating procedure titled “Contracted Services - solicitation and renewal” on March 8, 2022. The CIO will continue to refine procedures as needed to match changes in business analysis workflows.

Activity 3 Implemented

Provide training to applicable IT staff on the Business Analysis Process.

Person Responsible: Chief Information Officer

Action Taken: The CIO provided training to IT staff on the new business analysis process on March 8, 2022. The CIO also developed a section in IT’s standard operating procedures that assign the CIO the responsibility to provide guidance and direction regarding district policies.

Activity 4 Implemented

Develop and implement an annual review process for contract renewals.

Person Responsible: Chief Information Officer

Action Taken: The CIO developed a section in IT’s standard operating procedures to address the annual review and renewals process. This section is titled “Annual Review and Certification”.

Exhibit A – Summary of Original Audit Results

Finding	Summary Finding
1	There is insufficient documentation Information Technology conducted a needs assessment or related strategic planning activities for three (3) contracts totaling \$126,386. IT's documentation did not meet audit attributes to be considered reliable, relevant, or useful as it relates to identifying and understanding the need. Refer to items 1.1, 1.2, and 1.3 on the original report for contract details.
2	For the same three contracts in Finding 1, there is insufficient documentation IT conducted strategic planning activities related to a business justification or obtained key stakeholder's input before acquiring the contracted services.

The complete [original audit report](#) is available on the EPISD website.



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