

# Internal Audit

# 2020-2021 Audit Plan

Linda J. Lindsey, School Board Internal Auditor

June 23, 2020



**Orange County  
Public Schools**

June 23, 2020

To the Audit Advisory Committee and School Board:

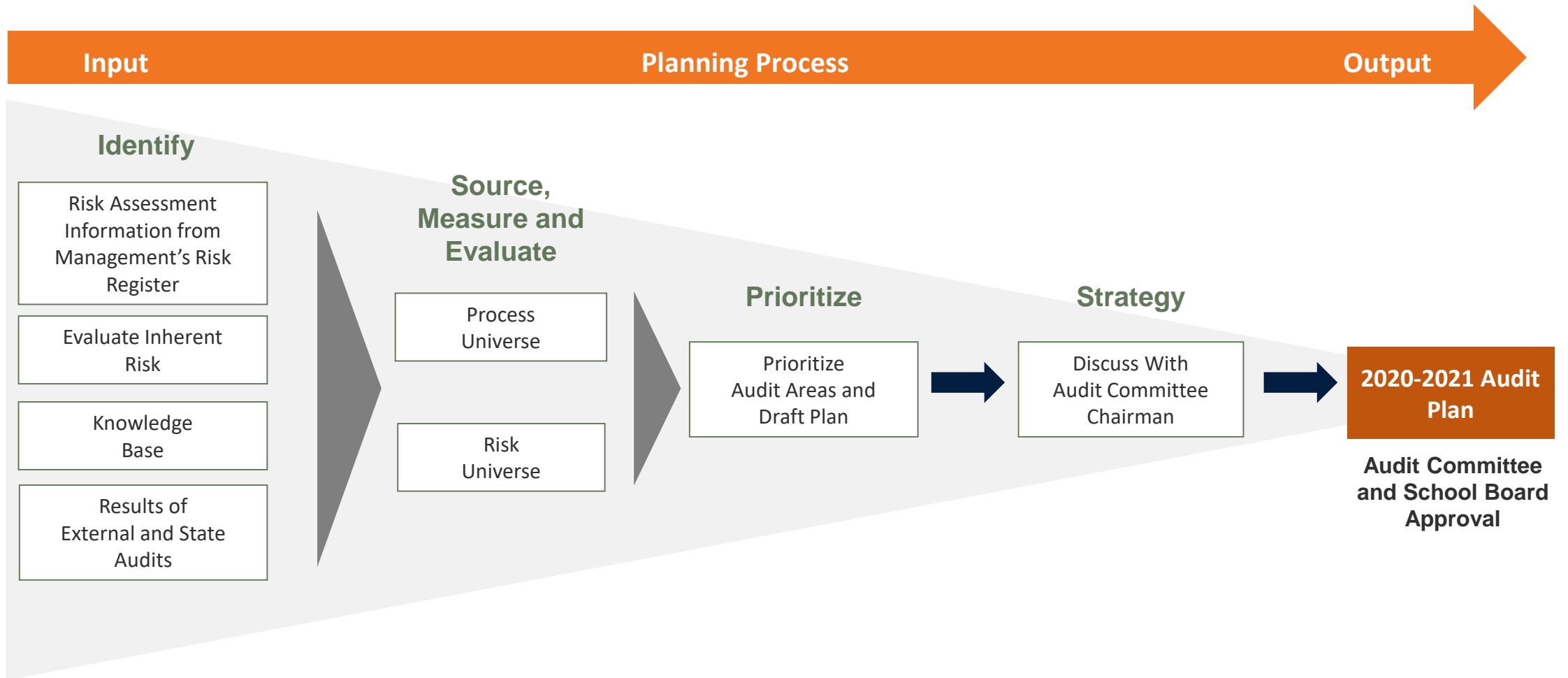
This is our report of the Internal Audit Risk Assessment and Proposed 2020-2021 Internal Audit Plan for Orange County Public Schools.

This report provides information about the condition of risks at one point in time. Future changes in environmental factors and actions by personnel may significantly and adversely impact these risks in ways that this report did not and cannot anticipate. If such changes occur, we will consider their impact on this report and audit plan and recommend revisions as needed.

Please let me know if you have any questions or if we can assist in any way with other matters.

– Linda J. Lindsey, CPA, CGAP  
School Board Internal Auditor

# Internal Audit Plan Development Process



# Risk Assessment Process Overview

- Conducted interviews with School Board members, Superintendent, Chiefs and selected management
- Facilitated management's identification of risks/areas of concern
- Used ERM toolkit to evaluate likelihood and consequence of risks and develop risk ratings
- Leveraged Internal Audit's knowledge obtained from other engagements
- Considered results of Auditor General and external auditor's audits

# Risk Assessment Process Overview

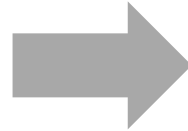
- Created a universe of auditable areas
- Internal Audit evaluated the risks of each auditable area
- Considered the risk ratings from management and Internal Audit to develop audit risk scores
- Ranked the auditable universe by audit risk scores
- Sorted ranked areas by capital/facilities, IT and internal audit categories
- Developed the proposed audit plan

# General Risk Area Definitions

General Risk Areas	Risk Area Definition
Public/ Political	How the district is viewed in the eyes of the public and other stakeholders
Strategic	Effectiveness in achieving organizational goals and objectives; efficiency of operations
Financial	Accuracy of financial reporting, financial sustainability and viability of the organization, and safeguarding of financial assets
Legal	Exposure to lawsuits and legal challenges; compliance with internal policies and procedures and external laws/regulations

## General Risk Areas

Public/  
Political



Financial



## Specific Risk Areas (Not in any particular order)

- Reputation/ public relations
- Tone at the top
- Community partnerships

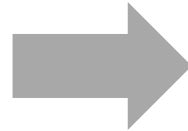
- Student and staff safety
- Growth management

- Anticipated funding decreases
- Financial close and reporting
- Cash & investments
- Costs of COVID-19
- Procurement

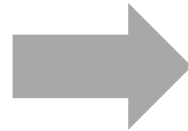
- Grants, especially COVID-19 related
- Accounts payable
- Management of reserves
- Debt
- Capital & operating budgets

## General Risk Areas

Strategic



Legal



## Specific Risk Areas (Not in any particular order)

- SaaS vendors/ data access/data transfer
- Facilities planning & construction
- Vulnerability management
- Business continuity
- Distance learning
- IT operations
- Student and staff safety
- Human resources

- Debt covenants
- Contracts
- Statutory compliance
- Litigation
- Labor/employment matters
- Ethics program
- School Board policies
- ESE compliance

Indicates areas rated as Very High or High risk by Management and included in Proposed Audit Plan



# 2020-2021 Internal Audit Projects

- **Capital Program / Facilities**
  - New/renovated schools project audits (contract & self-performed)
  - Capital renewal project audits (contract & self-performed)

# 2020-2021 Internal Audit Projects (Continued)

- IT Audit
  - IT Security assessment follow-up (carried over)
  - Customer Care
  - SaaS data sharing & transfer
  - Enterprise projects

# 2020-2021 Internal Audit Projects (Continued)

- Internal Audit
  - Transportation – fleet maintenance (carried over)
  - Digital curriculum
  - Grants (focus on COVID-19 related grants)
  - Mental health

# 2020-2021 Internal Audit Projects (Continued)

- Internal Audit (continued)
  - Student discipline
  - Orange Virtual School
  - Instructional technology and library media
  - Orange Technical College

# 2020-2021 Internal Audit Projects (Continued)

- **Outsourced / Co-sourced Audits**
  - External financial audit (includes Sales Tax & Capital Renewal Funds for COVE)
  - Schools' internal accounts
  - Construction projects (new schools & capital renewal)
  - School age services / after school programs

# Ongoing Internal Audit Activities

- Tracking management responses to audit recommendations
- Managing outside contract auditors
- Investigations (as needed)
- Facilitation of management's risk assessment process
- Training new managers, management leadership academy, PFPA, others
- Fraud hotline and internal control promotion
- Continuing professional education

# Features of the Audit Plan

- Flexibility to respond to management requests, unforeseen audits, and investigations without significant disruption to the core plan
  - Ability to incorporate strategic assessments as opportunities or are risks identified
  - Department to self-perform 3-5 school audits
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