

# **Internal Audit Plan FY 2025-2026**

## **Methodology**

The Dallas Independent School District (District) Audit Plan for fiscal year (FY) 2025-2026 summarizes the internal audit functions that will be performed throughout the year. The plan is prepared using the following considerations (in no particular order):

- Engagements required by law, regulations, or District policy
- Engagements critical to the District's vision, mission, and strategy
- Areas and activities with significant levels of risk, and if significant risks have sufficient coverage by assurance providers
- Advisory and ad hoc requests
- Time, resources, and proficiencies required
- The potential benefits to the organization, such as the engagement's potential to contribute to the improvement of the organization's governance, risk management, control processes, etc.

## **District Risk Assessment**

Risks are potential threats that will prevent the District from meeting its goals and objectives. Internal Audit conducts an annual risk assessment to identify risks across all areas of the District. The process is established by first determining the audit universe and then establishing associated risks (see graphic below for the primary dimensions of the audit universe and see Appendix B for a more detailed listing of the audit universe).

The audit universe, associated risks, District goals and strategies, etc. are identified each year by conducting the following:

- Reviewing the District's organizational chart, strategic plans, improvement plans, board meetings, financial statements, budget, and other documents.
- Conducting meetings with various District administrators, members of the board of trustees, and receiving feedback from audit committee advisors.
- Attending board briefings and meetings.
- Researching emerging risks from other school districts, news headlines, legislative updates, continuing education etc.
- Assessing the risk of fraud, waste, or abuse occurring that is significant within the context of the audit universe.
- Conducting assurance mapping to identify high risk areas with sufficient coverage.








## Audit Universe

Governance	Financial Services	Budget	Payroll
Procurement	Small Business Office	Maintenance and Facilities	Construction
Risk Management	Educational Technology	Food and Child Nutrition Services	Student Transportation
District Fleet	Human Capital Management	Academic Services	Academics and Transformation
School Leadership	Student Services	Special Populations	Evaluation and Assessment
Legal	School Improvement	Professional Standards Office	Communication Services
Partnership and Volunteer Services/ Intergovernmental Relations	Board Services	Safety and Security	

*Order is not intended to reflect a rank*

Once risks are determined they are then scored based on probability and impact using the risk factors noted in the chart below.

### Probability and Impact Risk Factors

Probability		Control Environment	Impact		Critical Nature of Entity
		Changes in the Entity			Financial Impact
		Complexity			Regulatory Compliance
		Audit/Evaluation History			Reputational Impact
		Historical Occurrence			Strategic Impact

Each area of the audit universe has individual risks populated that are rated high, medium, or low for probability and impact using the definitions below.

Risk Level	Definition
<b>High</b>	These risks could directly impact the achievement of critical strategic or operational objectives of the District. There is a high likelihood of occurrence, and if the event materializes, it could result in a significant negative impact on the District's financial stability, operational efficiency, ability to meet intended outcomes, reputation, or compliance, potentially exceeding the District's risk appetite.
<b>Medium</b>	These risks pose a moderate likelihood of occurrence and could have a notable adverse impact on important operational aspects of the District. While undesirable, the potential financial, reputational, strategic or compliance consequences are less severe than high-level risks and may approach the District's risk appetite.
<b>Low</b>	These risks have a low likelihood of occurrence and are expected to have a minimal impact on the District's operational efficiency, financial standing, reputation, or compliance. These risks are generally within the District's risk appetite but still warrant monitoring and may require basic controls.

Based upon these ratings, each risk is assigned an overall score of high, medium, or low (see table below) that rolls up into an overall risk rating for each area in the audit universe.

Risk Scoring Matrix		Impact		
		Low	Medium	High
Probability	High	M	H	H
	Medium	L	M	H
	Low	L	L	M

## Audit Plan Development

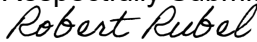
Internal Audit develops the audit plan based on the thorough risk assessment process explained above. The audit plan and is designed to be flexible and to account for unexpected, changing, or newly identified risks.

See the table below for the FY 2025-2026 Audit Plan. Summary of audit objectives for the non-recurring assurance engagements can be found in Appendix C.

## FY 2025-2026 Audit Plan

Type	Description	Hours	% of Total
Assurance Engagements	Supplemental Earnings <sup>1</sup>	500	2.8%
	Facilities Access including Use Agreements <sup>2</sup>	600	3.3%
	Special Revenue Funds Management	1,000	5.6%
	Grounds and Athletic Fields Department Operations	1,000	5.6%
	Homeless Education Program	1,000	5.6%
	Substitute Program	1,000	5.6%
	Application and Enrollment Process and Initiatives	1,200	6.7%
	School Based Counseling Services	1,200	6.7%
	Health Services Electronic Records Platform – IT Controls	1,000	5.6%
	E-Rate Program	300	1.6%
	Standardized Testing (STAAR)	300	1.6%
	Follow-up Audits	1,000	5.6%
	Superintendent’s Expenses	40	0.2%
	Bond Funded Projects - CMAR	300	1.6%
	Continuous Auditing – Bond Funded Projects	1,200	6.7%
	Continuous Auditing – Disbursements and Payroll Security	500	2.8%
	Campus Based Controls	250	1.4%
	1,500	8.3%	
Advisory	Reserve for advisory and changes to Audit Plan	1,500	8.3%
Department Operations	Hotline Management	500	2.8%
	Investigations	500	2.8%
	External Audit Oversight	300	1.6%
	Risk Assessment	1,000	5.6%
	Quality Review	300	1.6%
<b>Totals</b>		<b>17,990</b>	<b>100%</b>

*Order is not intended to reflect a ranking.*

Respectfully Submitted,  
  
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Acknowledgments:  
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<sup>1</sup> Rollover from FY 2024-2025 Audit Plan

<sup>2</sup> Rollover from FY 2024-2025 Audit Plan with added scope of Facility Use Agreements

## Appendix A Internal Audit Engagements Year Over Year by Dimension

	FY25-26	FY 24-25	FY 23-24	FY 22-23	FY 21-22
Governance	Incorporated in all engagements				
Financial Services	Campus Based Controls	Campus Based Controls	Campus Based Controls	Campus Based Controls - Activity Fund Process Review	Superintendent's Expenses
	Superintendent's Expenses	Superintendent's Expenses	Superintendent's Expenses	Superintendent's Expenses	Disbursements
	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	Medicaid SHARS
	Bond Funded Projects	Bond Funded Projects	Continuous Auditing - ESSER Funding	ESSER Funding	ESSER Funding
	E-Rate Program Compliance	E-Rate Program Compliance	PEIMS	PEIMS (completed in FY 23-24)	External Audit Oversight - Annual Financial Statement Audit
	External Audit Oversight - Annual Financial Statement Audit	External Audit Oversight - Annual Financial Statement Audit	External Audit Oversight - Annual Financial Statement Audit	External Audit Oversight - Annual Financial Statement Audit	
	Special Revenue Funds Management		Bond Projects	Bond Projects	
Budget	External Audit Oversight - Annual Financial Statement Audit	External Audit Oversight - Annual Financial Statement Audit	Continuous Auditing – ESSER Funding	ESSER Funding	ESSER Funding
	Special Revenue Funds Management	Supplemental Earnings (to be completed in FY25-26)	External Audit Oversight - Annual Financial Statement Audit	Budget Processes	External Audit Oversight - Annual Financial Statement Audit
	Supplemental Earnings		PEIMS	External Audit Oversight - Annual Financial Statement Audit	
				PEIMS (completed in FY 23-24)	
Payroll	Campus Based Controls	Campus Based Controls	Campus Based Controls	Continuous Monitoring – Disbursements and Payroll	Human Capital Management and Payroll Overtime and Supplemental Pay
	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	Continuous Auditing - ESSER Funding	ESSER Funding
	Supplemental Earnings	Supplemental Earnings (to be completed in FY25-26)	Continuous Auditing - ESSER Funding		Payroll
Procurement	Campus Based Controls	Campus Based Controls	Campus Based Controls	E-Rate Program Compliance	E-Rate
	Bond Funded Projects	E-Rate Program Compliance	E-Rate Program Compliance	ESSER Funding	ESSER Funding
	E-Rate Program Compliance	Bond Funded Projects	Continuous Auditing - ESSER Funding	Bond Funded Projects – CSPs Process Review	Vendor File
		Procurement Audit (Expanded from Vendor Management Audit)	Bond Funded Projects – JOCs Process Review		Disbursements
			Continuous Auditing - ESSER Funding		
			Vendor Management (to be completed in FY 24-25)		
Small Business Office	Bond Funded Projects	Bond Funded Projects	Bond Funded Projects – JOCs Process Review	Bond Funded Projects – CSPs Process Review	
		Procurement			

	FY25-26	FY 24-25	FY 23-24	FY 22-23	FY 21-22
Maintenance and Facilities	Campus Based Controls	Campus Based Controls	Environmental Health and Safety (EHS)		Maintenance and Facility Services – Preventive Maintenance
	Security	Security			
	Bond Funded Projects	Facilities Access (to be completed in FY 25-26)			
	Grounds and Athletic Fields Department Operations				
	Facilities Access and Use Agreements				
Construction	Bond Funded Projects	Bond Funded Projects	Bond Funded Projects – JOCs Process Review	Bond Funded Projects – CMAR	Bond Funded Projects – CMAR
	Bond Funded Projects - CMAR	Bond Funded Projects - CMAR	Bond Funded Projects - CMAR	Bond Funded Projects – CSPs Process Review	Construction Closeouts
	Facilities Access and Use Agreements	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	
		Facilities Access (to be completed in FY25-26)			
Risk Management	Bond Funded Projects	Facilities Access (to be completed in FY25-26)	Bond Funded Projects – JOCs Process Review	Bond Funded Projects – CSPs Process Review	Construction Closeouts
	Bond Funded Projects - CMAR	Fleet Services			
	Facilities Access and Use Agreements	Student Devices and Asset Management			
Educational Technology	Campus Based Controls	E-Rate Program Compliance	E-Rate Program Compliance	E-Rate Program Compliance	E-Rate
	E-Rate Program Compliance	Student Devices and Asset Management	Mental Health Management System (Welligent)	Student Discipline Data	IT Governance - Software Procurement
	Facilities Access and Use Agreements	Facilities Access (to be completed in FY 25-26)	PEIMS	PEIMS (completed in FY 23-24)	Technology Resources for Virtual Learning
	Health Services Electronic Records Platform – IT Controls		Software Licensing Audit		Major IT Systems - PowerSchool Application Controls
	Application and Enrollment Process and Initiatives				
Food and Child Nutrition Services	Campus Based Controls	Campus Based Controls	Food and Child Nutrition HACCP Plans		Food and Child Nutrition
		Food Quality Management			
Student Transportation/Fleet		Fleet Services		Student Transportation	
Human Capital Management	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	Human Capital Management and Payroll Overtime and Supplemental Pay
	Supplemental Earnings	Supplemental Earnings (to be completed in FY25-26)	Employee Background Checks	HCM - Temporary Labor Contracts	
	Substitute Program				
Academic Services	Campus Standardized Testing (STAAR)	Campus Standardized Testing (STAAR)	Campus Standardized Testing (STAAR)	Campus Standardized Testing (STAAR)	Campus Standardized Testing (STAAR)
		Section 504	Tutoring		Special Services (SPED) completed in FY 22-23
Academics and Transformation	Campus Standardized Testing (STAAR)		PEIMS	PEIMS (completed in FY 23-24)	Enrollment and Attendance

	FY25-26	FY 24-25	FY 23-24	FY 22-23	FY 21-22
	School Based Counseling Services				
	Application and Enrollment Process and Initiatives				
School Leadership	Campus Based Controls	Campus Based Controls	Campus Based Controls	Campus Based Controls – Activity Fund Process Review	Campus Standardized Testing (STAAR)
	Campus Standardized Testing (STAAR)	Campus Standardized Testing (STAAR)	Campus Standardized Testing (STAAR)	Campus Standardized Testing (STAAR)	Enrollment and Attendance
	Security	Student Devices and Asset Management	Tutoring	Attendance for Credit	ESSER Funding
	Substitute Program	Campus Partnership Agreements	Truancy	PEIMS (completed in FY 23-24)	
	Application and Enrollment Process and Initiatives	Section 504	PEIMS	Athletics	
	School Based Counseling Services	Security	Dallas ISD PD Property Room	ESSER Funding	
Student Services	Health Services Electronic Records Platform – IT Controls	Section 504	Mental Health Management System (Welligent)	Records Management	Medicaid SHARS
	Homeless Education Program			Special Services (SPED) Audit	Special Services (SPED) completed in FY 22-23
	School Based Counseling Services			Student Engagement and Support	
Special Populations		Section 504	PEIMS	Special Services (SPED) Audit	Special Services (SPED) completed in FY 22-23
Evaluation and Assessment	Campus Standardized Testing (STAAR)	Campus Standardized Testing (STAAR)	Campus Standardized Testing (STAAR)	Campus Standardized Testing (STAAR)	Campus Standardized Testing (STAAR)
			PEIMS		
			Tutoring		
Legal	Incorporated in all engagements				
School Improvement	Incorporated in all engagements				
Professional Standards Office (PSO)	Incorporated in all engagements				
Communication Services	Campus Based Controls			Campus Social Network Management	
	Application and Enrollment Processes and Initiatives				
Partnership and Volunteer Services/Intergovernmental Relations	Campus Based Controls	Campus Based Controls	Campus Based Controls	Campus Based Controls	
	Homeless Education Program	Campus Partnership Agreements			
Board Services	Incorporated in all engagements				
Safety and Security	Security	Security	Security	Security	Campus Security Audits
	Campus Based Controls	Campus Based Controls	Campus Based Controls		
	Facilities Access and Use Agreements	Facilities Access (to be completed in FY 25-26)	Dallas ISD PD Property Room		
		Dallas ISD PD Quartermaster	Campus Emergency Operations Plans		
			Employee Background Checks		

# Appendix B

## Audit Universe

### FY 2025-2026 Dimensions (including sub-dimensions)

#### 1. Governance

#### 2. Financial Services

- Financial Reporting
- Balance Sheet Accounts
- Funding/Revenue
- Campus Activity Funds

#### 3. Budget

#### 4. Payroll

#### 5. Procurement

- Bidding
- Evaluation/Award
- Contracting
- Requisition/PO Process
- Vendor Management

#### 6. Small Business Office

#### 7. Maintenance and Facilities

- Grounds and Athletic Fields
- Heat, Ventilation & Air Conditioning
- Maintenance and Facility Services
- Environmental Health and Safety

#### 8. Construction

- Planning and Design
- Construction Procurement
- Contract Management
- Construction Compliance
- Property Management
- Project Closeout

#### 9. Risk Management

#### 10. Educational Technology

- IT Leadership & Governance
- IT Operations
- IT Infrastructure
- IT Security

#### 11. Food and Child Nutrition Services

- Cafeteria Operations

- Accounting/Reporting
- Catering & 9400 Café
- Claims/TDA
- Menu Planning
- HACCP
- Warehouse/Distribution
- Kitchen/Dining Design
- LRE (Equipment)

**12. Student Transportation**

- Service Centers
- Busing Operations
- Administrative Services
- Fleet Services

**13. District Fleet**

**14. Human Capital Management**

- Staffing (Onboarding, Termination, Position Control)
- Benefits
- Compensation
- Employee Records
- Employee Relations
- Talent Development
- Policy & Compliance
- Employee Retention & Succession Planning

**15. Academic Services**

- Instruction
- Curriculum Development
- Campus Culture and Academic Success
- Personalized Learning
- Early Learning
- Student Retention and Graduation

**16. Academics and Transformation**

- Transformation and Innovation Schools
- School Choice
- Postsecondary Partnerships
- Athletics

**17. School Leadership**

- Enrollment
- Attendance
- Grading Practices
- Extracurricular Activities
- Master Schedules
- Student Programs
- Extended Learning (Tutoring)

**18. Student Services**

Health Services  
Mental Health Services  
Student Engagement & Support

**19. Special Populations**

Special Services  
Dual Language ESL

**20. Evaluation and Assessment**

Program Evaluation  
Institutional Research  
Assessment

**21. Legal**

Legal Obligation  
Contract Oversight  
Litigation

**22. School Improvement**

**23. Professional Standards Office**

Compliance  
Investigative

**24. Communication Services**

Communication Channels  
Media/Public Affairs  
Marketing  
Districtwide Events  
Social Media  
Web Services  
Translation Services

**25. Partnership and Volunteer Services/Intergovernmental Relations**

Parent Advocacy and Support  
Homeless Education Program  
Partnership and Volunteer Services  
Dallas Education Foundation

**26. Board Services**

Policy Management

**27. Safety and Security**

Police Department Operations  
Emergency Management  
Physical Security

## Appendix C

### Summary Objectives for Non-Recurring Assurance Engagements

Assurance Engagements	Summary Objectives <sup>3</sup>
Special Revenue Funds Management	OIA plans to evaluate the management and utilization of special revenue funds, with a specific focus on ensuring all available funds are fully utilized.
Grounds and Athletic Fields Department Operations	The Grounds and Athletic Fields Department is tasked with maintaining more than 250 sites consisting of approximately 2,000 acres with a \$12.1M budget for FY25. OIA plans to review the department’s ability to effectively and efficiently upkeep district grounds, maintenance practices, resource allocation, and compliance with relevant regulations and district policies.
Homeless Education Program	The District’s Homeless Education Program serves approximately 4,000 students and is funded by Title I. OIA plans to review the program’s ability to cost effectively provide services to meet intended goals, compliance with relevant laws and regulations, and utilization of resources and grant funds.
Substitute Program	The district adopted a budget of \$19.7M for substitute pay in FY25. OIA plans to evaluate the substitute program's scheduling, payment, and monitoring processes with a focus on streamlining processes to further enhance the program’s ability to meet intended goals.
Application and Enrollment Process and Initiatives	OIA plans to review the district's application, registration, and enrollment processes, with a specific focus on streamlining these processes and assessing the impact of marketing initiatives.
School Based Counseling Services	OIA plans to evaluate the effectiveness and efficiency of school-based counseling services in promoting student success, supporting students' academic needs, and fostering mental health and well-being.
Health Services Electronic Records Platform – IT Controls	OIA plans to review the adequacy of application controls in Health Service’s records management software to verify the accuracy, completeness, security and reliability of student health-related information.

<sup>3</sup> Budget numbers were obtained from the May 9, 2024, FY 2024-2025 Adopted Budget obtained from the district’s website.