



Internal Audit Plan

Fiscal Year 2027

Board of Education

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**A Report to the Board of Education
& Audit Committee from the**
Internal Audit Department

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TABLE OF CONTENTS

Overview	3
Background	
Internal Audit Policy & Charter	
External versus Internal Audit	
Internal Audit Department Mission	
Fiscal Year 2027 Risk Assessment	6
Purpose & Objective	
Scope & Coverage	
Methodology	
Heat Maps & Results	
Fiscal Year 2027 Internal Audit Plan Project Summary	11
Project Descriptions	12
Advisory	
Assurance	
Internal Audit Development	
Internal Audit Administration & Governance	
Appendix I: Audit Universe & Individual Risk Matrix Heat Map	17
Appendix II: Audit Category Definitions	22
Appendix III: Summary of Audit Committee Deliverables	25

OVERVIEW

BACKGROUND

The Internal Audit Department of Cincinnati Public Schools plays an essential role in enhancing transparency across the District and adding organizational value by providing risk-based and objective assurance, advisory, and compliance insights. Internal Audit continues to develop an approach that strengthens risk management, internal controls, and the core processes that drive the District's activities.

An important goal for the Cincinnati Public Schools' Board of Education is to conduct the financial operations of the District in an efficient, effective, and transparent manner. To accomplish this, the Board passed a resolution on September 8, 2008, to form an Audit Committee and create the Internal Auditor position, which is independent from District management. The Internal Auditor, also known as the Chief Audit Executive, reports directly to the CPS Board of Education, ensuring a direct line of accountability and oversight.

INTERNAL AUDIT POLICY & CHARTER

The Internal Audit Department is governed by the Board of Education [Policy 6836 - Internal Audit Charter](#), which states, “Annually, the Internal Auditor shall develop and submit to the Audit Committee an Internal Audit Plan for approval by the Board of Education. The Internal Audit Plan will be developed using a risk-based methodology, including input from Administration and the Board. Any significant deviation from the approved Internal Audit Plan will be communicated to the Audit Committee and the Board of Education through periodic activity reports”. The objective of Internal Audit is to “assist the Board of Education and District administration in the effective discharge of their responsibilities by furnishing them with recommendations on strengthening internal controls of activities reviewed”.

Throughout the development and execution of the annual Internal Audit Plan, the Internal Audit Department abides by the requirements and expectations set forth in the Board Policy.

EXTERNAL VERSUS INTERNAL AUDIT

It is important to distinguish external audits from internal audits. While external audits primarily review and certify financial statements, internal audits encompass a broader scope. Several key factors distinguish internal audits from external audits within our District;

Scope of Work:

- *External Audit:* Focuses on financial reporting, ensuring accuracy and Generally Accepted Accounting Principles (GAAP) compliance, with an independent annual opinion on the District's financial health
- *Internal Audit:* Covers a broader scope, including internal controls, operational efficiency, compliance, and risk management, with ongoing, tailored audits

Objectives:

- *External Audit:* Provides an independent assessment of the financial statements for stakeholders
- *Internal Audit:* Aims to improve operations, promote compliance, and enhance risk management and governance

Independence:

- *External Audit:* Conducted by independent auditors outside the District
- *Internal Audit:* Performed by District-employed auditors who report to the Board and the Audit Committee for objectivity

Frequency and Flexibility:

- *External Audit:* Annual, with a fixed scope on fiscal year-end financials
- *Internal Audit:* Ongoing, with flexible scopes adjusted for emerging risks and changes

Focus on Risk Management:

- *External Audit:* Primarily concerned with financial statement accuracy
- *Internal Audit:* Emphasizes identifying and mitigating a wide range of risks, including operational and compliance risks

Consulting Role:

- *External Audit:* No consulting to avoid conflicts of interest
- *Internal Audit:* Provides advisory services, offering consultation to improve processes and controls

INTERNAL AUDIT DEPARTMENT MISSION

The objective of the Internal Audit Department is to assist the Board of Education and District administration in the effective discharge of their responsibilities by providing recommendations on strengthening internal controls. Internal Audit helps evaluate whether internal controls are functioning as intended, promotes regulatory compliance, and provides recommendations to improve operational efficiency and the integrity of financial and operational processes. By maintaining objectivity and independence from daily operations, the Internal Audit Department delivers an unbiased viewpoint, fairly assessing processes and offering valuable insights into areas for improvement.

Our engagements focus on key areas, including:

- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations and programs
- Safeguarding of assets
- Compliance with Board policy, state and federal laws

The annual Internal Audit Plan (IAP) outlines the specific activities and objectives of the Internal Audit Department for the year, covering the period from July 2026 to April 2027. The plan is designed to

evaluate the adequacy and effectiveness of the District's governance, risk management, and control processes. The plan is intended to help support efforts to:

- Identify and mitigate risks
- Maintain accurate, reliable, and timely financial, managerial, and operational data
- Achieve compliance with policies, standards, procedures, and applicable laws and regulations
- Acquire resources economically, use them efficiently, and protect them adequately
- Achieve Cincinnati Public Schools' programs, plans, and objectives
- Foster continuous improvement within the District's control processes
- Recognize and address legislative or regulatory issues impacting the District

Each year, the Internal Audit Department submits its Internal Audit Plan to the Cincinnati Public Schools Audit Committee for review and approval. Internal Audit is submitting the plan for approval at the July 22, 2026 meeting.

FISCAL YEAR 2027 RISK ASSESSMENT

PURPOSE & OBJECTIVE

The Internal Audit team performed a District-wide risk assessment and developed an internal audit plan based on its results. The risk assessment identifies and evaluates the District's potential internal and external risks, based on the likelihood of occurrence and the magnitude of impact, to determine risks and barriers that could prevent the District from achieving its strategic objectives. Taking a risk-based approach supports decision-making by providing valuable insights to the Board of Education, Audit Committee, and District leadership. The information gathered and analyzed supports informed decision-making to strengthen internal controls, enhance efficiency, and optimize resource allocation.

This year's District-wide risk assessment and development of the FY 2027 Internal Audit Plan were completed through a risk-based planning process. Internal Audit focused on refining and maintaining the Audit Universe as a living document, rather than creating a new universe from the ground up each year. Updates were made to reflect current District operations, leadership input, budget reductions, staffing changes, system changes, prior audit results, and emerging risk areas.

The planning process included the following phases:

1. Refine and update the Audit Universe as a living inventory of District processes, risks, and controls
2. Gather input through meetings with District leadership, Audit Committee members, and Board members, including planning questionnaires
3. Assess current risks, operational changes, and control environments across key District functions
4. Review and update risk ratings throughout the Audit Universe
5. Develop the FY 2027 Internal Audit Plan based on identified risks, Districtwide input, and Internal Audit resource capacity

SCOPE & COVERAGE

In fiscal year 2026, The Internal Audit team shifted away from the historical approach of assessing risk by budget units (BUDUs) and developed a new Audit Universe, which includes a comprehensive and dynamic list of all potential areas, processes, systems, and functions within the District that could be subject to an internal audit. It provides a structured framework to systematically identify, evaluate, and track potential risks. The new Audit Universe comprises 84 "functional areas" of the District, which are grouped into the eight categories or "Audit Universe Classifications" on the following page.

To see the entirety of the Audit Universe and functional areas, please refer to the "[Fiscal Year 2027 Risk Assessment Audit Universe](#)" document.

Audit Universe Classifications	
1	Governance, Community Engagement, Legislative Affairs
2	Human Resources
3	Financial Services
4	Information Technology Management (ITM)
5	Teaching, Learning, and Extracurriculars
6	Operations
7	Safety and Security
8	Facilities

METHODOLOGY

Risk Identification & Inputs:

The Internal Audit team utilized a variety of qualitative and quantitative inputs to evaluate risks across the District's Audit Universe. These inputs were used to assess the inherent and residual risks associated with each functional area, evaluate changes in operations and control environments, and support the development of the fiscal year 2027 Internal Audit Plan. Key sources of input included:

- *Risk Assessment Meetings & Questionnaires* - Internal Audit held 26 meetings with District leadership, Board members, and Audit Committee members to complete planning questionnaires and discuss strategic priorities, operational changes, key controls, and emerging risks across the District
- *Status of Past Recommendations* - Reviewed the implementation status and trends of previously issued recommendations to identify recurring or unresolved risks
- *Internal & External Audit Activity* - Considered prior audit results, current audit engagements, and other assurance activities to identify areas requiring additional attention
- *Financial Data Analysis* - Analyzed financial information to identify areas of elevated financial risk or greater materiality
- *Strategic Priorities & Operational Changes* - Considered the District's strategic initiatives, budget impacts, staffing changes, and other significant operational developments affecting the District's risk profile

Risk Assessment Ratings:

To consistently evaluate risks across the 84 functional areas outlined in the Audit Universe, Internal Audit utilized a risk assessment methodology based on impact and likelihood. This approach is widely

used by Internal Audit and Enterprise Risk Management functions to evaluate and prioritize organizational risks.

Each functional area was assigned an *impact* and a *likelihood* rating of 1 to 5, where 1 represents the lowest level of risk and 5 represents the highest. The overall risk score was then calculated using the following formula:

$$\text{Impact} \times \text{Likelihood} = \text{Overall Risk Assessment (Score)}$$

Upon completion of the assessment, each functional area is plotted on a heat map based on its impact score (vertical axis) and likelihood score (horizontal axis). The heat map provides a visual representation of the District's risk profile and helps Internal Audit analyze, prioritize, and communicate areas of greatest risk. While the overall risk score is calculated using a straightforward formula, the determination of each impact and likelihood rating incorporates numerous qualitative and quantitative factors.

Impact: Magnitude of Inherent Risks (Severity)

To assess the potential *impact*, or severity, that a failure within a functional area could have on the District, Internal Audit evaluates each area across the following eight impact categories. Each impact category is assigned a rating on a scale of 1 to 5, and these ratings collectively inform the overall Impact rating for the functional area.

Risk/Impact Type	Description
Financial Risk	Misstatements, loss, or inefficiencies in the District's financial transactions, reporting, or budgeting processes
Operational Risk	Failures in day-to-day processes, systems, or staff performance that impede the District's ability to achieve its objectives
Reputational Risk	Damage to the District's public image or trust due to negative publicity, stakeholder dissatisfaction, or ethical lapses
Fraud Risk	Intentional deception, theft, or misuse of District resources by employees, vendors, or external parties
Regulatory Risk	Non-compliance with laws, regulations, or policies that could result in penalties, sanctions, or loss of funding
IT Risk	Failures or vulnerabilities in technology systems that could lead to data breaches, service interruptions, or system inefficiencies
Safety Risk	Harm to students, staff, or visitors due to unsafe conditions, inadequate security, or emergency preparedness gaps
Strategic Risk	Poor decision-making, misaligned priorities, or external changes that affect the District's ability to achieve long-term goals

Examples of Impact Level Scoring (1 - 5):

High (4 - 5): Significant disruption to educational services or District operations; large financial loss or misstatement; legal/regulatory non-compliance with material consequences; major reputational damage or political fallout; significant harm to student/staff safety or equity

Medium (3): Moderate operational disruption or inefficiency; moderate financial implications; compliance concerns that are manageable but still require attention; localized reputational impact; affects specific schools or departments without District-wide implications

Low (1 - 2): Minor inconvenience or inefficiency; low financial exposure; limited or no legal/regulatory consequence; minimal reputational or operational impact

Likelihood: Operational and Control Environment Factors

To assess the *likelihood* of a failure occurring within a functional area, Internal Audit evaluates the following nine operational and control environment factors. These factors are considered collectively when assigning an overall Likelihood rating on a scale of 1 to 5.

Operational & Control Environment Factor	Description
Volume of Occurrence	Volume of transactions or process occurrences
Policies & Procedures	Existence of current District Policies and written procedures
Recent Changes in Operations	Change in procedures, systems, applications, leadership, management, and/or staff
Staffing	Adequacy of staff levels and the training, experience, and competency to perform effectively
Budget Constraints	Decrease in budget/resources
Complexity & Specialized Work	Complexity of work, technical or specialized skill set required to perform the function
Manual Nature	Reliance on manual systems/processes
Operational Oversight	Level of oversight and existence of previous audit engagements
Culture & Morale	Organizational culture, morale, or attitude towards a function or process

The presence of multiple operational and control environment risk factors increases the likelihood that a failure within a functional area could adversely affect the District.

Examples of Impact Level Scoring (1 - 5):

High (4 - 5): Risk is known to have occurred in the past; controls are weak, inconsistent, or untested; high volume of activity or complexity increases error/fraud potential; external conditions (e.g., legislative changes, cyber threats) increase vulnerability

Medium (3): Some history of issues or elevated inherent risk; controls are generally adequate but not robust; moderate transaction volume or organizational complexity

Low (1 - 2): Rare occurrence of related risks; strong internal controls and oversight are in place; low complexity, low volume, or automated processes

HEAT MAPS & RESULTS

Upon completion of the risk assessment, Internal Audit plotted each of the 84 functional areas on a heat map based on its impact score (vertical axis) and likelihood score (horizontal axis). Eight heat maps were developed, one for each Audit Universe Classification, providing a visual representation of the District's risk profile across all functional areas.

The heat maps are included in *Appendix I*. A complete listing and description of all 84 functional areas can be found in the [Fiscal Year 2027 Risk Assessment Audit Universe](#).

The results of the risk assessment, including the individual risk ratings and heat maps, directly informed the development of the Fiscal Year 2027 Internal Audit Plan.

Organizational Risk Matrix:

The Organizational Risk Matrix heat map in Appendix I provides a high-level view of the eight Audit Universe Classifications and their respective impact and likelihood ratings. The classification ratings were calculated by averaging the underlying functional area ratings, which were informed by stakeholder input obtained from District leadership, Audit Committee members, and Board members through the annual risk assessment process. Detailed heat maps for each of the eight Audit Universe Classifications are also included in Appendix I and follow the same methodology and format.

FY 2027 INTERNAL AUDIT PLAN PROJECT SUMMARY

The table below provides an overview of the Fiscal Year 2027 Internal Audit Plan, including each planned project, its corresponding category, and the budgeted hours allocated. Budgeted hours reflect Internal Audit's historical project data and estimated resource requirements for each engagement.

<i>Fiscal Year 2027 Internal Audit Plan</i> <i>5/1/26 - 4/30/27</i>

Budgeted Internal Audit Hours by Area	
<i>Planning</i>	
Risk Assessment & Planning	440
Fiscal Year Rollover	235
<i>Advisory</i>	
District Leadership Support	125
Strategic Plan & Budget Impacts	532
<i>Assurance</i>	
Agile Auditing	900
<i>IA Department Development</i>	
Internal Audit Manual & IIA Standards Compliance	250
Internal Audit Team Development	300
<i>Internal Audit Administration & Governance Support</i>	
Audit Committee Preparation & Requests	500
Board of Education Meetings, Requests & Directives	200
Investigations	200
Internal Audit Meetings	280
Administrative Tasks	175
Total FY 2027 Internal Audit Plan Hours	4,137

Available Internal Audit Hours	
Internal Audit Team Hours	5,684
Less: Leave, Holiday & Furlough	(1,547)
Total Internal Audit Team Hours	4,137

PROJECT DESCRIPTIONS

This section provides an overview of the projects included in the Fiscal Year 2027 Internal Audit Plan. The projects are organized into four categories: (1) Advisory, (2) Assurance, (3) Internal Audit Development, and (4) Internal Audit Administration & Governance Support. Additional information regarding each project category is provided in *Appendix II*.

While the project descriptions provide a general overview of the planned work, the specific objectives and scope of each engagement will be established upon project initiation following a detailed process walkthrough and risk assessment.

Each project also includes the budgeted hours, anticipated timing, and expected deliverable. Project timing is tentative and may be adjusted based on the complexity of the work, audit results, resource availability, or emerging District priorities. A description of each deliverable type is provided in *Appendix III*.

ADVISORY

District Leadership Support

This project is intended to provide proactive, value-added support to District leadership by offering an independent perspective on strategic initiatives, emerging risks, governance, and operational improvements.

Throughout Fiscal Year 2027, Internal Audit will continue to serve in an advisory capacity by supporting District leadership through consultation, collaboration, and objective insight on key initiatives and organizational priorities. Advisory services may include participation in leadership meetings, process improvement discussions, risk-related consultations, and other activities requested by District leadership that align with Internal Audit's advisory role. This project is intended to enhance risk awareness, strengthen internal controls, and support informed decision-making while maintaining Internal Audit's independence and objectivity.

- *Budgeted Hours: 125*
- *Anticipated Project Timing: Throughout FY 2027*
- *Audit Committee Deliverable: Summary of Work*

Strategic Plan & Budget Impacts

This project is intended to assess the impact of the District's strategic priorities and approved budget on the District's organizational risk profile and identify opportunities for both advisory and assurance activities.

Building upon the results of the Fiscal Year 2027 annual risk assessment, Internal Audit will perform a more detailed evaluation of the highest-risk functional areas identified within the Audit Universe. This evaluation will consider the District's finalized Strategic Plan, approved budget, significant operational

changes, and other relevant risk factors to further assess risks and identify opportunities to strengthen internal controls and operations. Based on this assessment, Internal Audit will provide advisory guidance to management regarding identified risks, opportunities to strengthen internal controls, and operational improvements. The results will also be used to identify areas requiring additional assurance through Agile Audit engagements. Throughout the project, Internal Audit will communicate key observations and emerging risks to the Audit Committee and solicit feedback to help inform ongoing audit priorities and resource allocation.

- *Budgeted Hours: 532*
- *Anticipated Project Timing: August 2026 - October 2026*
- *Audit Committee Deliverable: Summary of Work*

ASSURANCE

Agile Auditing

The Internal Audit Department will continue utilizing an Agile Auditing approach to provide timely, focused assurance over the District's highest-risk areas. Agile Audits are designed to evaluate targeted processes or controls through shorter, more focused engagements, allowing Internal Audit to respond efficiently to emerging risks while minimizing disruption to District operations.

Agile Audit topics will be selected using a risk-based approach informed by the implementation status of prior Internal Audit recommendations, results of previous Agile Audits, and risks identified through the Strategic Plan & Budget Impacts project. This approach enables Internal Audit to validate corrective actions, monitor areas of ongoing risk, and provide assurance over evolving operational and control environments while remaining responsive to emerging District priorities.

Agile Audits will be performed throughout the fiscal year, with results communicated to management and the Audit Committee, as appropriate, to provide timely assurance, support informed decision-making, and promote continuous improvement.

- *Budgeted Hours: 900**
- *Anticipated Project Timing: Throughout FY 2027*
- *Audit Committee Deliverable: Comprehensive Audit Report(s)*

**Budgeted hours were developed based on Fiscal Year 2026 Agile Audit experience, which averaged approximately 133 hours per engagement. Actual hours will vary depending on the scope and complexity of each engagement.*

INTERNAL AUDIT DEVELOPMENT

Internal Audit Manual & Institute of Internal Auditors Standards Compliance

This multi-year initiative supports the continued development of the Internal Audit Department's policies, procedures, and methodologies while promoting ongoing conformance with the Institute of

Internal Auditors' (IIA) Global Internal Audit Standards and preparing the department for a future external quality assessment.

During Fiscal Year 2027, Internal Audit will continue developing and refining the Internal Audit Manual, documenting departmental processes, standardizing audit methodologies and templates, and evaluating departmental practices against applicable professional standards. This work will support operational consistency, knowledge transfer, quality assurance, and continuous improvement while strengthening the department's long-term goal of being compliant with IIA standards and guidance.

- *Budgeted Hours: 250*
- *Anticipated Project Timing: Throughout FY 2027 & Beyond (Multi-year Project)*
- *Audit Committee Deliverable: Summary of Work*

Internal Audit Team Development

A strong and knowledgeable Internal Audit team is essential to delivering high-quality services that support the District's goals and strategic priorities. This multi-year initiative focuses on developing and maintaining the technical expertise, professional competencies, and collaborative relationships necessary to provide effective advisory and assurance services.

Throughout Fiscal Year 2027, Internal Audit will continue investing in professional development through continuing professional education, on-the-job learning, knowledge sharing, and participation in professional organizations. The department will also continue fostering collaboration with District leadership, maintaining visibility through Board and committee presentations, and promoting awareness of Internal Audit's role and value across the organization. These efforts support continuous improvement, strengthen organizational partnerships, and help ensure the department remains responsive to the District's evolving risks and priorities.

- *Budgeted Hours: 300*
- *Anticipated Project Timing: Throughout FY 2027 & Beyond (Multi-year Project)*
- *Audit Committee Deliverable: Summary of Work*

INTERNAL AUDIT ADMINISTRATION & GOVERNANCE SUPPORT

Audit Committee Preparation & Requests

This area supports the Internal Audit Department's responsibilities to the Audit Committee by coordinating meeting preparation, developing agendas and presentation materials, responding to committee requests, and facilitating communication throughout the year. Responsibilities also include monitoring the implementation status of Internal Audit recommendations, tracking the progress of external audits, maintaining the public-facing Audit Committee dashboard to provide timely and transparent reporting, and providing regular updates on other matters relevant to the Audit Committee's oversight responsibilities. These activities help promote transparency, accountability, and informed governance.

- *Budgeted Hours: 500*
- *Anticipated Project Timing: Throughout FY 2027*
- *Audit Committee Deliverable: n/a*

Board of Education Meetings, Requests & Directives

Internal Audit supports the Board of Education by responding to Board requests, preparing reports and presentations, meeting regularly with the Board President, participating in Board meetings as requested, and implementing Board directives related to the Internal Audit function. These activities help ensure the Board remains informed regarding Internal Audit activities, emerging risks, and matters requiring its attention.

- *Budgeted Hours: 200*
- *Anticipated Project Timing: Throughout FY 2027*
- *Audit Committee Deliverable: n/a*

Investigations

Internal Audit conducts investigations as appropriate throughout the fiscal year in response to matters referred to or identified by the department. The scope and timing of investigations are inherently unpredictable and may vary significantly based on the nature, complexity, and urgency of the matters identified. During Fiscal Year 2027, Internal Audit will also develop and document an investigations process within the Internal Audit Manual to establish standardized protocols, clarify roles and responsibilities, define approval and communication requirements, and promote a consistent approach to investigative work.

- *Budgeted Hours: 200*
- *Anticipated Project Timing: Throughout FY 2027*
- *Audit Committee Deliverable: n/a*

Internal Audit Meetings

Internal Audit conducts recurring department meetings, planning sessions, project coordination meetings, and other collaborative discussions necessary to effectively manage the department's work and execute the Internal Audit Plan. These meetings support communication, project planning, workload management, knowledge sharing, and coordination across the audit team and with District stakeholders.

- *Budgeted Hours: 280*
- *Anticipated Project Timing: Throughout FY 2027*
- *Audit Committee Deliverable: n/a*

Administrative Tasks

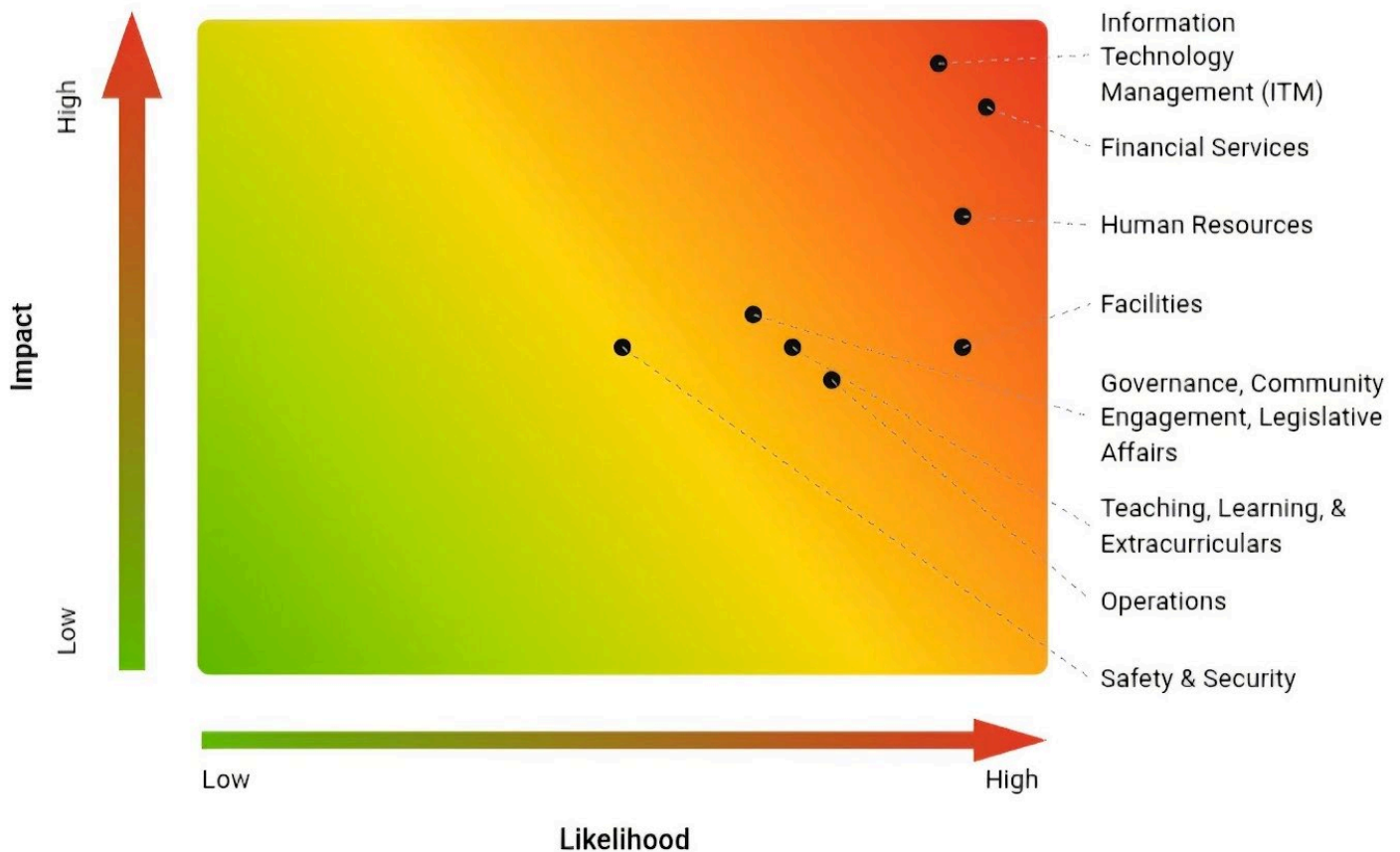
Internal Audit performs a variety of administrative and operational activities necessary to effectively manage the department and execute the Fiscal Year 2027 Internal Audit Plan. Responsibilities include budget development and financial management, procurement and purchasing activities, departmental planning and coordination, and other routine administrative functions that support the efficient operation of the Internal Audit Department.

- *Budgeted Hours: 175*
- *Anticipated Project Timing: Throughout FY 2027*
- *Audit Committee Deliverable: n/a*

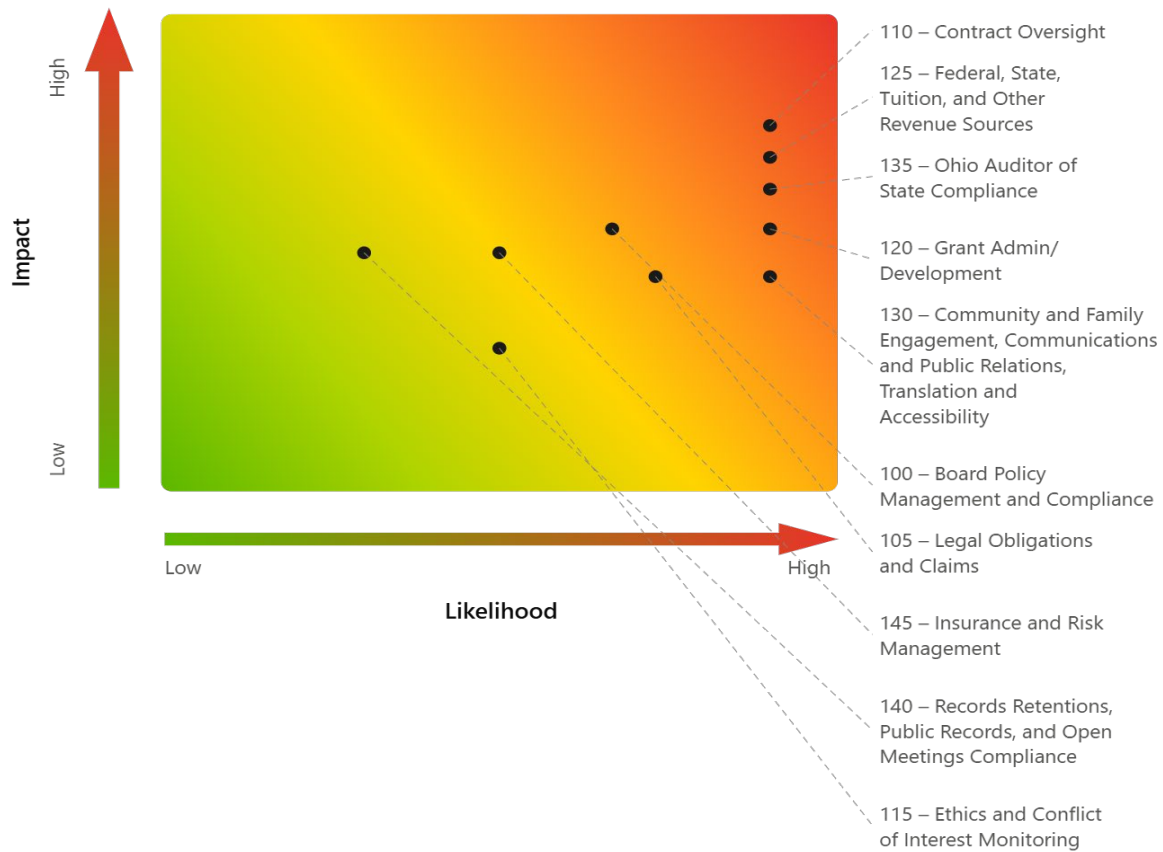
APPENDIX I: AUDIT UNIVERSE & INDIVIDUAL RISK MATRIX HEAT MAPS

This section includes a heat map for each of the eight Audit Universe Classifications. These heat maps helped guide the selection of the projects contained in this Internal Audit Plan. Please refer to the '[Fiscal Year 2027 Risk Assessment Audit Universe](#)' document, which outlines all 84 functional areas and their descriptions, as plotted on the heat maps below.

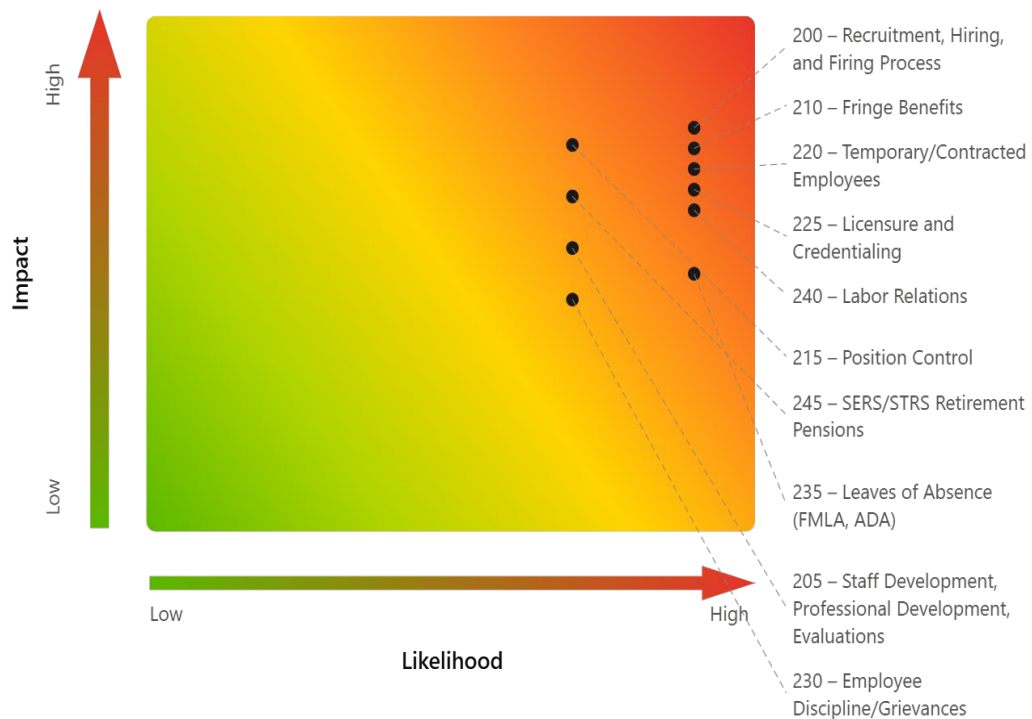
FY 2027 ORGANIZATIONAL AUDIT RISK HEAT MAP



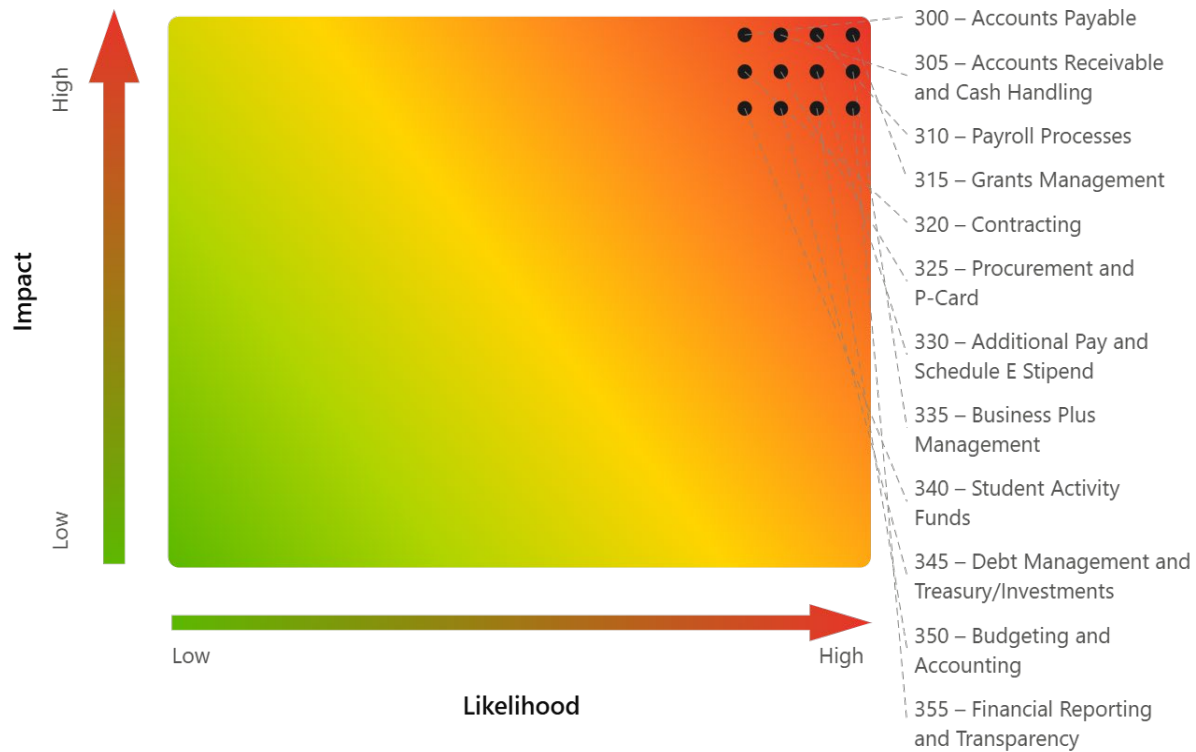
1. GOVERNANCE, COMMUNITY ENGAGEMENT, AND LEGISLATIVE AFFAIRS



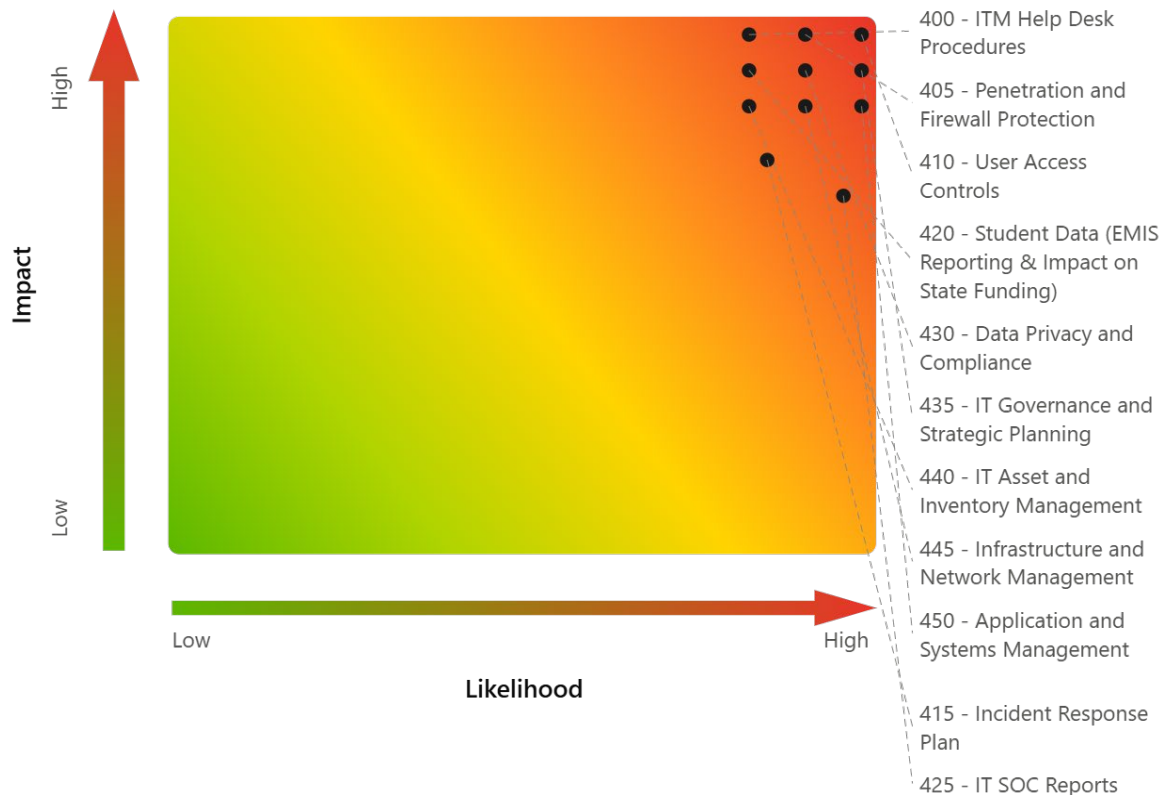
2. HUMAN RESOURCES



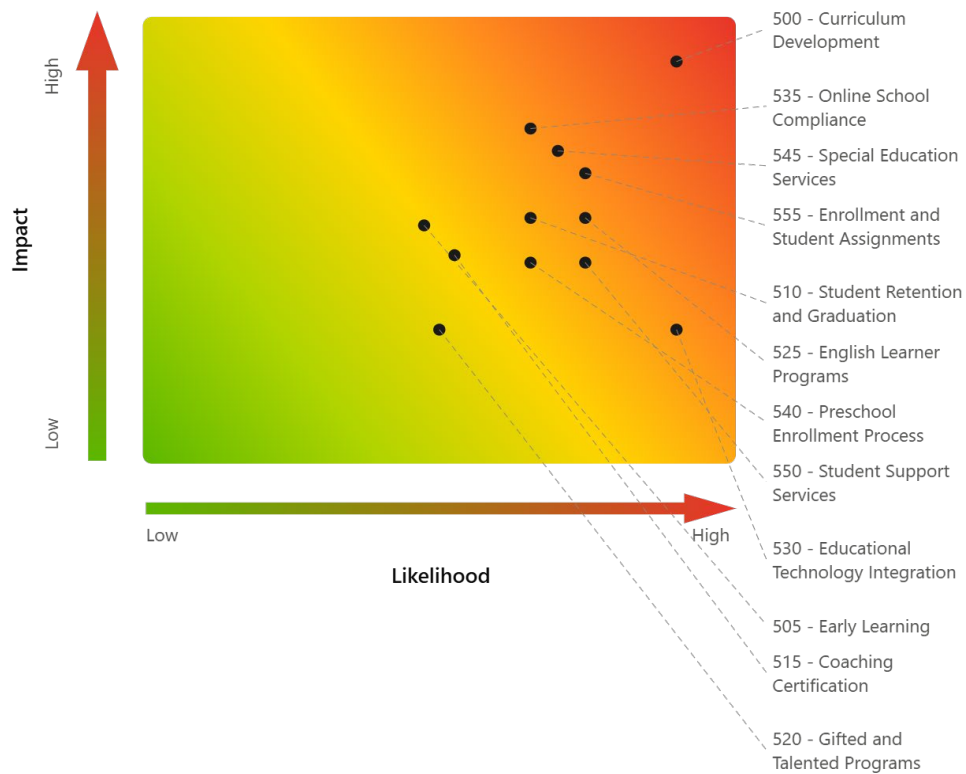
3. FINANCIAL SERVICES



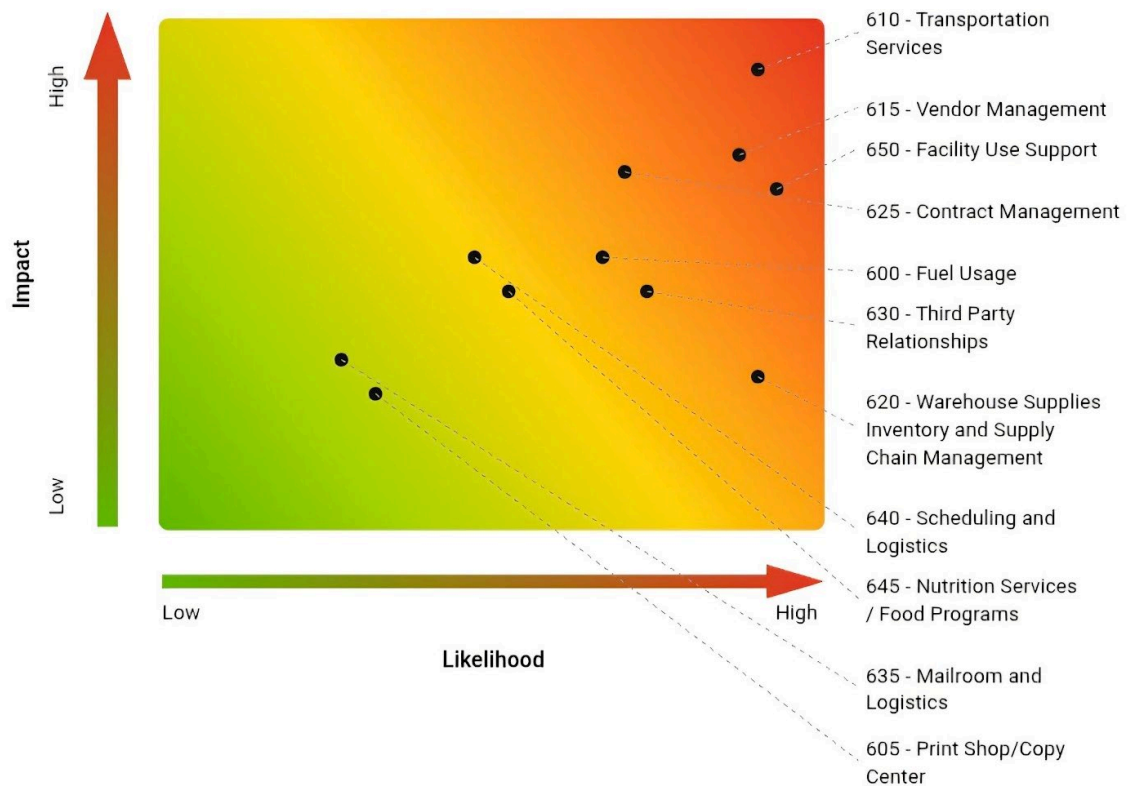
4. INFORMATION TECHNOLOGY MANAGEMENT (ITM)



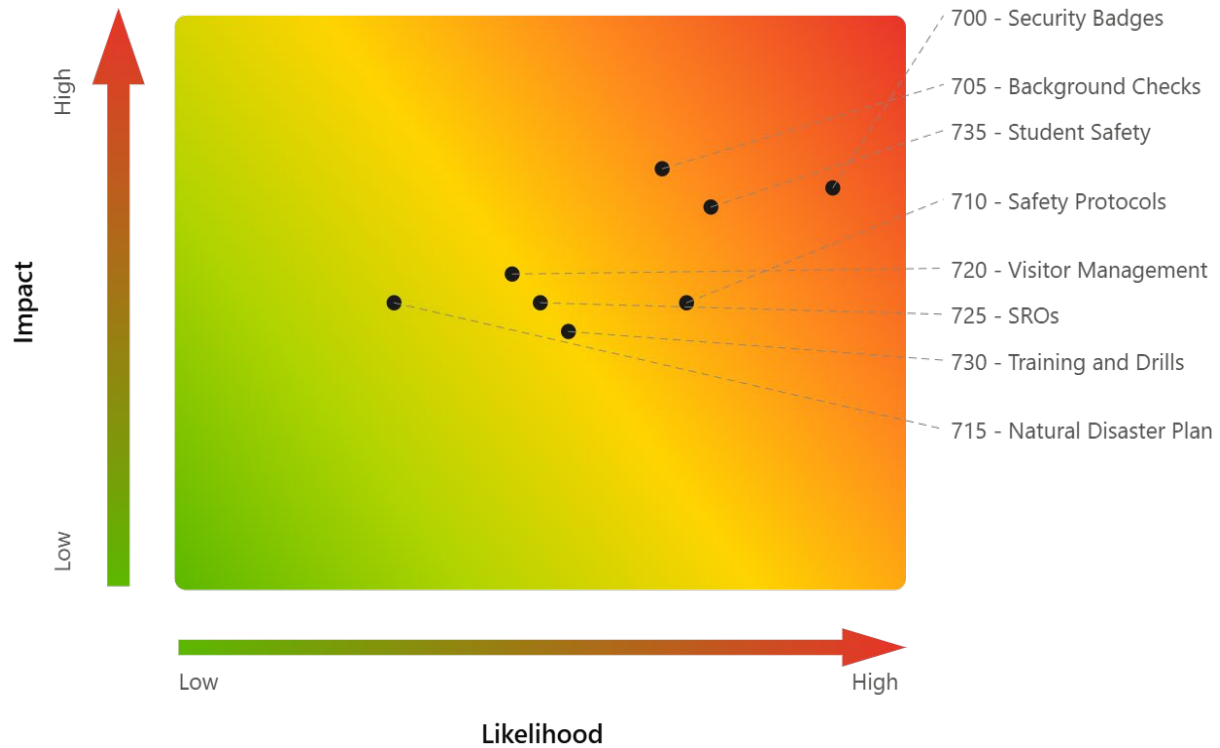
5. TEACHING, LEARNING, AND EXTRACURRICULARS



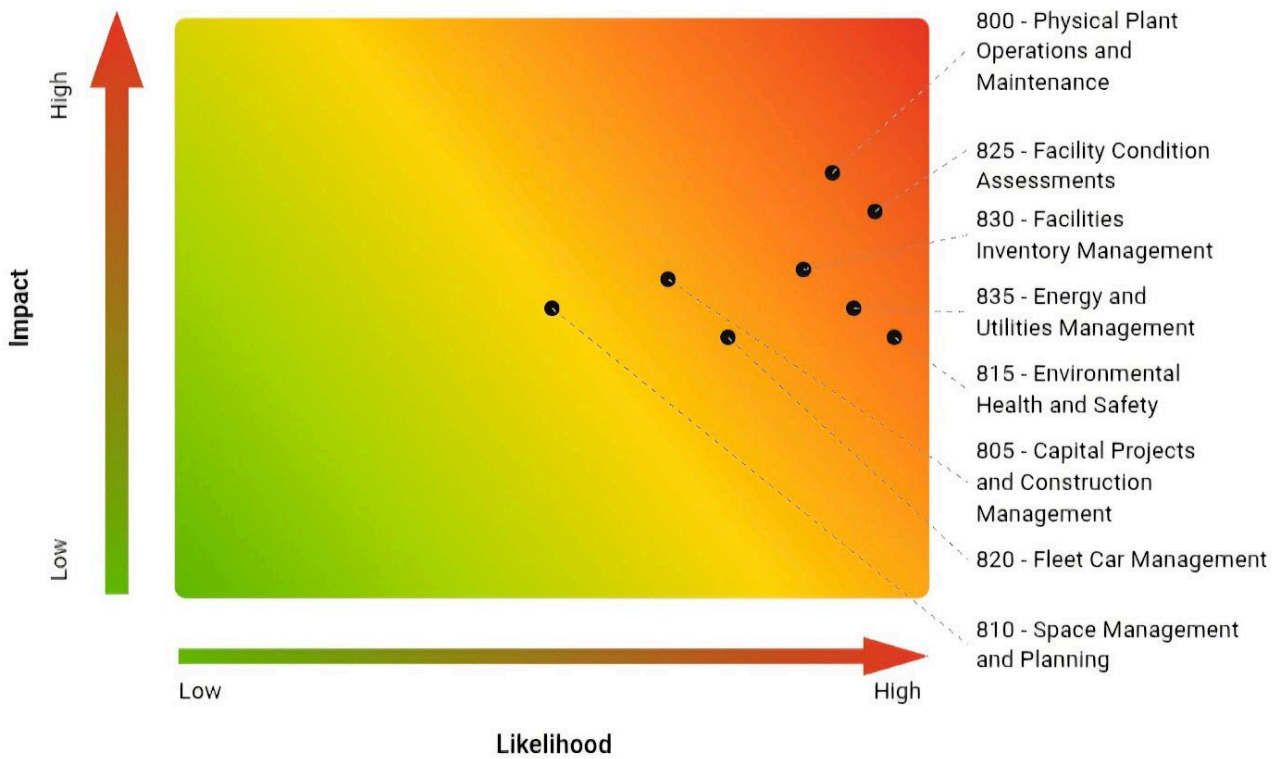
6. OPERATIONS



7. SAFETY AND SECURITY



8. FACILITIES



APPENDIX II: AUDIT CATEGORY DEFINITIONS

ADVISORY

In Advisory projects, Internal Audit provides expertise and advice while leaving decision-making to management. The ultimate scope and objectives are determined by management, and the projects do not result in formal recommendations or reports.

The Institute of Internal Auditors (IIA) [2024 Standards](#) define advisory services as “Services through which internal auditors provide advice to an organizations’ stakeholders without providing assurance or taking on management responsibilities.” According to the IIA’s Vision 2035 Report², “One of the key insights to emerge from the Vision 2035 project is an ideal future that places a greater emphasis on advisory engagements, thus shifting the current balance between advisory and assurance engagements to an increased focus on strategic changes and key implementations.”

Advisory includes other *related activities**, the nature and scope of which are agreed upon with District leadership, are intended to add value and enhance the District's governance, risk management, and control processes without the internal auditor assuming management responsibilities. Examples include providing guidance, advice, and recommendations for process improvement. The timing of these activities depends on the defined scope of work and overall risk mitigation needs of the District.

**Related Activities:* These activities are closely aligned with improving the District's governance, risk management, and control processes. Some examples of related activities may include:

- *Benchmarking:* Comparing the District’s practices in areas like financial management, and administrative efficiency against industry standards or peer institutions to identify opportunities for improvement.
- *Consultations:* Providing expert advice on issues such as budget management, compliance with educational regulations, and optimizing resource allocation to enhance operational efficiency within the District.
- *Monitoring:* Establishing or enhancing monitoring systems to track compliance with District policies, identify emerging risks, and ensure the effectiveness of controls over areas such as past recommendations and financial reporting.
- *Process, Policy & Procedure Reviews:* Providing independent advice and feedback on the design or revision of District processes, Board policies, and administrative procedures to strengthen governance, risk management, internal controls, operational effectiveness, and compliance with applicable laws, regulations, and best practices, while maintaining Internal Audit's independence and objectivity.
- *Risk Assessments:* Assisting in the identification and evaluation of risks related to compliance, financial management, and student safety, helping to prioritize actions to mitigate these risks.
- *Workshops and Training:* Assisting with organizing training sessions for District staff to educate them on effective risk management practices, internal controls, and compliance with state and federal education laws.

ASSURANCE

These services refer to the more traditional audit functions. The Institute of Internal Auditors (IIA) [2024 Standards](#) define assurance services as "Services through which internal auditors perform objective assessment to provide assurance. Examples of assurance services include compliance, financial, operational/performance, and technology engagements. Internal auditors may provide limited or reasonable assurance, depending on the nature, timing, and extent of the procedures performed." In general, audits entail the evaluation of internal controls; assessments of performance related to operational efficiency and effectiveness, as well as a determination of compliance with current requirements.

FOLLOW-UP

The Internal Audit Department revisits areas that were previously audited to measure the progress made by management towards implementing the recommendations and resolving the findings. Follow-up engagements evaluate the adequacy, effectiveness, and timeliness of actions taken by management on reported observations and recommendations.

RISK ANALYSIS

This category focuses on identifying, evaluating, and managing risks that could potentially impact an organization. This type of project generally involves a systematic review of the organization's processes, operations, and systems to identify areas where risks might occur, assess the likelihood and impact of those risks, and recommend strategies to mitigate or manage them. Projects in this category will promote the understanding of risks and internal controls within the District and with key members of leadership, including the Senior Leadership Team, Board of Education, and Audit Committee.

INTERNAL AUDIT DEVELOPMENT

Projects in this category are centered on advancing the Internal Audit Department by fostering professional development and growth among staff, enhancing the quality and scope of audit services, and increasing the overall maturity and effectiveness of the department. These initiatives emphasize continuous improvement, ensuring that the audit function remains dynamic, responsive, and aligned with best practices to support the organization's objectives.

INTERNAL AUDIT ADMINISTRATION & GOVERNANCE SUPPORT

Projects in this category support the effective administration of the Internal Audit Department and the fulfillment of its governance responsibilities. These activities are essential to maintaining the department's independence, accountability, and operational effectiveness, while supporting the Board of Education and Audit Committee in carrying out their oversight responsibilities.

Work in this category includes planning and preparing materials for Audit Committee and Board meetings, responding to requests and directives from the Board of Education and Audit Committee, conducting investigations as appropriate, coordinating internal department meetings, and performing

administrative activities necessary to manage the Internal Audit function. Although these activities do not typically result in traditional audit reports, they are fundamental to the department's ability to effectively execute the Internal Audit Plan, respond to emerging issues, and provide timely, objective support to District leadership and the Board.

APPENDIX III: SUMMARY OF AUDIT COMMITTEE DELIVERABLES

The following list provides descriptions of each form of project deliverable. Internal Audit has noted the type of deliverable anticipated for each project within the plan. If a deliverable must change due to unanticipated circumstances, Internal Audit will communicate this to the Audit Committee.

- *Comprehensive Audit Report:* A detailed report is provided at the conclusion of the audit. It includes findings, recommendations for improvements, and a management response section. This report is typically shared with District leadership, the Audit Committee, and other key process owners.
- *Continuous Auditing Updates:* In cases where continuous auditing is employed, the focus is on providing ongoing oversight rather than a one-time assessment. No formal written report may be produced; instead, regular updates on the status of controls and processes being monitored will be presented to the Audit Committee during scheduled check-ins. These updates will highlight management's progress in addressing key risks and implementing recommendations. A status of recommendations tracker will be maintained to monitor the completion of corrective actions and determine when areas are ready for a follow-up audit.
- *Executive Session Presentation:* In instances where the audit findings involve sensitive or confidential information, Internal Audit may request an executive session with the Audit Committee.
- *Follow-up Report:* A report issued after the initial audit to assess the District's progress in implementing recommendations that management has marked complete in the 'Status of Past Recommendations Tracker'. This less detailed report helps ensure that recommendations have been effectively addressed.
- *Interim Memo (if applicable):* If a significant issue is identified during the audit that requires immediate corrective action, we will issue a memo to District leadership and the Audit Committee. This memo will outline the critical findings and recommended steps to address the issue. Additionally, Internal Audit will maintain regular communication with District leadership and the Audit Committee to keep them informed of progress and any developments, ensuring that all parties remain updated.
- *Smartsheet Dashboard:* Certain information will be captured and presented to the Audit Committee via the Smartsheet dashboard tool to ensure transparent and real-time reporting.
- *Summary of Work:* For specific audit engagements, particularly those of an advisory nature, a formal written report may not be necessary. In these cases, findings and recommendations will be communicated directly to management, with either a verbal or written summary of the work presented to the Audit Committee.