

Internal Audit Plan FY 2026-2027

Methodology

The Dallas Independent School District (District) Audit Plan (Plan) for fiscal year (FY) 2026-2027 summarizes the activities that will be performed throughout the year by the Office of Internal Audit (OIA). The Plan is prepared each year using the following considerations (in no particular order):

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

District Risk Assessment

Risks are potential threats that will prevent the District from meeting its goals and objectives. OIA 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).

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

- Reviewing the District's mission/vision statements, goals, organizational chart, strategic plans, improvement plans, board meetings, financial statements, budget, and other documents.
- Conducting meetings with various District administrators and 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, professional development, 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 following definitions.

Risk Level	Definition
High	These risks could directly impact the achievement of critical strategic or operational goals and 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.
Medium	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.
Low	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 following table) that aggregates 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

OIA develops the Plan based on the thorough risk assessment process delineated previously. The Plan is then reviewed to ensure it is aligned with the District's mission/vision statements and goals. The Plan is designed to be flexible and to account for unexpected, changing, or newly identified risks.

The following table presents the FY 2026-2027 Plan. Appendix C presents a summary of preliminary audit objectives for the non-recurring assurance engagements. These objectives are subject to revision after the detailed risk assessment processes during project planning.

FY 2026-2027 Audit Plan

Type	Description	Hours	% of Total
Assurance Engagements	Substitute Program ¹	1,000	5.7%
	Special Revenue Funds Management ¹	1,000	5.7%
	Multi-tiered Systems of Support	1,000	5.7%
	Family and Community Engagement	1,000	5.7%
	Campus Security Measures	1,000	5.7%
	Vendor Background Checks	1,000	5.7%
	SPED Processes	600	3.4%
	Bond Procurement Non-construction	600	3.4%
	E-Rate Program	300	1.7%
	Standardized Testing (STAAR)	300	1.7%
	Follow-up Audits	1,000	5.7%
	Superintendent's Expenses	40	0.2%
	Bond Funded Projects – CMAR	300	1.7%
	Continuous Auditing – Bond Funded Projects	2,500	14.2%
	Continuous Auditing – Disbursements and Payroll	500	2.8%
	Security	250	1.4%
	Campus Based Controls	1,800	10.2%
Advisory	Reserve for advisory and changes to Audit Plan	700	4.0%
Department Operations	Hotline Management	750	4.3%
	Investigations	500	2.8%
	External Audit Oversight	300	1.7%
	Risk Assessment	700	4.0%
	External Quality Assessment	500	2.8%
Totals		17,640	100%

Order is not intended to reflect a ranking.

Respectfully Submitted,

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Acknowledgments:

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¹ Rollover from FY 2025-2026 Audit Plan

Appendix A

Internal Audit Engagements Year Over Year by Dimension

	FY 26-27	FY 25-26	FY 24-25	FY 23-24	FY 22-23
Governance	Incorporated in all engagements				
Financial Services	Campus Based Controls	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
	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll
	Bond Funded Projects	Bond Funded Projects	Bond Funded Projects	Continuous Auditing - ESSER Funding	ESSER Funding
	E-Rate Program Compliance	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	Special Revenue Funds Management (to be completed in FY 26-27)		Bond Projects	Bond Projects
Budget	External Audit Oversight - Annual Financial Statement Audit	External Audit Oversight - Annual Financial Statement Audit	External Audit Oversight - Annual Financial Statement Audit	Continuous Auditing – ESSER Funding	ESSER Funding
	Special Revenue Funds Management	Special Revenue Funds Management (to be completed in FY 26-27)	Supplemental Earnings (completed in FY 25-26)	External Audit Oversight - Annual Financial Statement Audit	Budget Processes
	Impact of Free Pre-K Tuition	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	Campus Based Controls	Continuous Monitoring – Disbursements and Payroll
	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	Continuous Auditing - ESSER Funding
		Supplemental Earnings	Supplemental Earnings (completed in FY25-26)	Continuous Auditing - ESSER Funding	
Procurement	Campus Based Controls	Campus Based Controls	Campus Based Controls	Campus Based Controls	E-Rate Program Compliance
	E-Rate Program Compliance	E-Rate Program Compliance	E-Rate Program Compliance	E-Rate Program Compliance	ESSER Funding
	Bond Funded Projects	Bond Funded Projects	Bond Funded Projects	Continuous Auditing - ESSER Funding	Bond Funded Projects – CSPs Process Review
	Vendor Background Checks		Procurement Audit (Expanded from Vendor Management Audit)	Bond Funded Projects – JOCs Process Review	
				Continuous Auditing - ESSER Funding	
				Vendor Management (completed in FY 24-25)	

	FY 26-27	FY 25-26	FY 24-25	FY 23-24	FY 22-23
Small Business Office	Bond Funded Projects	Bond Funded Projects	Bond Funded Projects	Bond Funded Projects – JOCs Process Review	Bond Funded Projects – CSPs Process Review
			Procurement		
Maintenance and Facilities	Campus Based Controls	Campus Based Controls	Campus Based Controls	Environmental Health and Safety (EHS)	
	Security	Security	Security		
	Bond Funded Projects	Bond Funded Projects	Facilities Access (completed in FY 25-26)		
	Campus Security Measures	Grounds and Athletic Fields Department Operations			
		Facilities Access and Use Agreements			
Construction	Bond Funded Projects	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
		Facilities Access and Use Agreements	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll	Continuous Monitoring – Disbursements and Payroll
			Facilities Access (completed in FY25-26)		
Risk Management	Bond Funded Projects	Bond Funded Projects	Facilities Access (completed in FY25-26)	Bond Funded Projects – JOCs Process Review	Bond Funded Projects – CSPs Process Review
	Bond Funded Projects - CMAR	Bond Funded Projects - CMAR	Fleet Services		
		Facilities Access and Use Agreements	Student Devices and Asset Management		
Educational Technology	E-Rate Program Compliance	E-Rate Program Compliance	E-Rate Program Compliance	E-Rate Program Compliance	E-Rate Program Compliance
	Campus Based Controls	Campus Based Controls	Student Devices and Asset Management	Mental Health Management System (Welligent)	Student Discipline Data
	Multi-Tiered Systems of Support	Facilities Access and Use Agreements	Facilities Access (completed in FY 25-26)	PEIMS	PEIMS (completed in FY 23-24)
		Health Services Electronic Records Platform – IT Controls		Software Licensing Audit	
		Application and Enrollment Process and Initiatives			
Food and Child Nutrition Services	Campus Based Controls	Campus Based Controls	Campus Based Controls	Food and Child Nutrition HACCP Plans	
			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	Continuous Monitoring – Disbursements and Payroll
	Substitute Program	Supplemental Earnings	Supplemental Earnings (completed in FY25-26)	Employee Background Checks	HCM - Temporary Labor Contracts

	FY 26-27	FY 25-26	FY 24-25	FY 23-24	FY 22-23
		Substitute Program (to be completed in FY 26-27)			
Academic Services	Campus Standardized Testing (STAAR)	Campus Standardized Testing (STAAR)	Campus Standardized Testing (STAAR)	Campus Standardized Testing (STAAR)	Campus Standardized Testing (STAAR)
	Multi-Tiered Systems of Support		Section 504	Tutoring	
	Impact of Free Pre-K Tuition				
Academics and Transformation	Campus Standardized Testing (STAAR)	Campus Standardized Testing (STAAR)		PEIMS	PEIMS (completed in FY 23-24)
	Multi-Tiered Systems of Support	School Based Counseling Services			
	Impact of Free Pre-K Tuition	Application and Enrollment Process and Initiatives			
School Leadership	Campus Based Controls	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)
	Security	Security	Student Devices and Asset Management	Tutoring	Attendance for Credit
	Substitute Program	Substitute Program (to be completed in FY 26-27)	Campus Partnership Agreements	Truancy	PEIMS (completed in FY 23-24)
	Campus Security Measures	Application and Enrollment Process and Initiatives	Section 504	PEIMS	Athletics
	Vendor Background Checks	School Based Counseling Services	Security	Dallas ISD PD Property Room	ESSER Funding
	Impact of free Pre-K Tuition				
Student Services	Multi-Tiered Systems Support	Health Services Electronic Records Platform – IT Controls	Section 504	Mental Health Management System (Welligent)	Records Management
	Family and Community Engagement	Homeless Education Program			Special Services (SPED) Audit
		School Based Counseling Services			Student Engagement and Support
Special Populations			Section 504	PEIMS	Special Services (SPED) Audit
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				

	FY 26-27	FY 25-26	FY 24-25	FY 23-24	FY 22-23
Communication Services	Campus Based Controls	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	Campus Based Controls
	Family and Community Engagement	Homeless Education Program	Campus Partnership Agreements		
Board Services	Incorporated in all engagements				
Safety and Security	Security	Security	Security	Security	Security
	Campus Based Controls	Campus Based Controls	Campus Based Controls	Campus Based Controls	
	Vendor Background Checks	Facilities Access and Use Agreements	Facilities Access (completed in FY 25-26)	Dallas ISD PD Property Room	
	Campus Security Measures		Dallas ISD PD Quartermaster	Campus Emergency Operations Plans	
				Employee Background Checks	

Appendix B Audit Universe

FY 2026-2027 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/Purchase Order Process
- Vendor Management

6. Small Business Office

7. Maintenance and Facilities

- Grounds and Athletic Fields
- Heat, Ventilation and 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 and 9400 Café
- Claims/Texas Department of Agriculture
- Menu Planning
- Hazard Analysis Critical Control Point (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 and 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 and 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

Preliminary Objectives for Non-Recurring Assurance Engagements

Assurance Engagements	Risk Considerations	Preliminary Objective
Special Revenue Funds Management	As budget concerns are critical, the District should tap all available funding.	Evaluate the management and utilization of special revenue funds, with a specific focus on ensuring all available funds are fully utilized.
Substitute Program	Opportunities may exist for cost savings and program optimization through automation and management tools.	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.
Multi-tiered Systems of Support	There are potential concerns with the identification of at-risk students and opportunities for process improvements.	Evaluate the effectiveness and efficiency of the District's Multi-tiered Systems of Support department (MTSS) in identifying at-risk students in a timely manner and providing necessary wraparound services to boost student success.
Family and Community Engagement	Opportunities may exist to enhance family assistance through needs assessments, process improvements, and organizational changes. Department has experienced turnover.	Review the processes and activities within Family and Community Engagement to assess how effectively the department serves the District's families while maintaining compliance with federal funding.
Campus Security Measures	Intruder audits have not demonstrated progress as noted issues continuously reappear.	Review intruder audit results in concert with the District's policies and operational procedures/practices and assess their effectiveness. OIA also plans on assessing the District's efforts to ensure students report troublesome behavior.
Vendor Background Checks	Background checks are critical for mitigating third party risk and department has experienced turnover.	Review the District's processes for conducting background checks on vendor employees who work on campuses to determine their effectiveness based on compliance with federal/state regulations and District policies.
SPED Processes	Significant state and federal regulations.	Assess the policies and procedures surrounding the Child Find program for effectiveness and compliance, ensure classroom cameras are functioning as required, and review inventory of initial eligibility reviews, evaluations, Individual Accommodation Plans, annual meetings, and three-year re-evaluations for timeliness.
Bond Procurement Non-construction	High dollars with potentially less visibility.	Evaluate the policies and procedures surrounding the expenditures associated with the technology component of bond spending for effectiveness and efficiency.

Appendix D

Potential Alternate Audits

Assurance Engagements	Risk Considerations	Preliminary Objective
Construction Inspections	Structural integrity, compliance, liability management	Review the inspections process involving bond-funded projects to assess efficiency, effectiveness, and risk mitigation
Project Management	Compliance, investment protection	Review the District's use of external project managers for its construction projects and assess the department's oversight practices, including performance measurement, risk mitigation, and compliance monitoring
Employee Expense Reports	Financial, compliance	Review the District's processes and internal controls surrounding employee expense reports with a focus on integrity, efficiency, and compliance with District policies
Employee Grievances	Employee relations, compliance	Assess the employee grievance process and study the trends within complaints over the past two years to identify patterns
Project Performance	Schedule management, investment protection	Analyze the District's historical construction projects and assess (i) the timeliness of project completion, (ii) if projects were completed on budget, and (iii) the overall quality of the project
Mental Health Services (MHS)	Financial, compliance	Targeted review of completeness and timeliness of the records required for MHS to earn reimbursement for student services
After-school Programs	Student and family services	Map out the schools that partner with non-profit organizations to provide programs to determine if there are any gaps and recommend alternatives as appropriate
AI Adoption	Financial, compliance	Assess the District's departments on a rotating basis to determine (i) if they are utilizing AI to improve the efficiency and effectiveness of their operations and (ii) if they are using AI in accordance with District policies
Transportation	Student transportation	Targeted review of timelines of completion of bus routes and any necessary parental notifications
Impact of Free Pre-K Tuition	New program	Review the impact of offering free Pre-K tuition to determine the impact on enrollment, capacity, and overall student retention