

Internal Audit Plan

Fiscal Year 2027



Office of Internal Audit

Deborah Wickham, CPA

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Approved by: _____

Steve Alfonso

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Interim Superintendent

Introduction

The objectives of the Office of the Internal Auditor's fiscal year 2027 (FY27) audit plan are to accomplish the Internal Audit purpose, which is to provide the Board, Audit Committee, and Management with independent analysis, appraisals, and recommendations concerning the adequacy and effectiveness of the School Board's internal control and management performance.

Internal Audit has conducted an independent risk assessment which considers the financial, operational, and reputational risks faced by STPPS. Internal Audit has developed its annual audit plan based upon the risk assessment results. The annual audit plan prioritizes areas by evaluating the associated risks. The factors used to assess each area include:

- Financial impact
- Potential operational risks determined by:
 - Internal controls
 - Compliance requirements
 - Past audits
 - Inputs received from the STPSB, Audit Committee, STPPS leadership, and employees
 - Audits performed at other public-school systems
- Opportunity for improvement

In addition to the factors listed above, Internal Audit evaluates the timing implications of each area being considered for an audit. If an audit area is in the process of implementing significant changes in its operations, either in response to prior concerns or as part of an internal restructuring, Internal Audit will defer performing an audit. Per the risk assessment, audit areas are categorized into three audit priorities as follows:

<u>Priorities</u>	<u>Internal Audit Activities</u>
Primary	To be completed in FY27
Secondary	To be considered between FY27 and FY28
Long-Term	To be considered FY28 and after

Occasionally, unforeseen circumstances may prevent the completion of primary audit priorities. An audit area may experience significant turnover or operational changes that make conducting an internal audit impractical at that time. It is also possible external entities (for example, federal or state government) may elect to audit an area before an internal audit is completed. Rather than duplicate those efforts, that specific audit area will be replaced by one from the list of secondary audit priorities. The process for approving and executing audits from secondary audit priorities will follow the same requirements per the recommendations by the Audit Committee. All audit topics will be reassessed annually and placed into the three categories described above. During this time, potential new topics may be added, and existing audit topics may be removed or modified based upon the annual risk assessment results.

Detailed Procedures Performed

Internal Audit analyzed risks by audit topic by performing the following qualitative and quantitative procedures:

I. Identification of Audit Topics

1. Examined the STPPS organization and identified the audit universe (i.e. potential audit topics within each department/office).

2. Narrowed the audit universe into 20 potential topics through the following procedures (counted school audits as one topic):

- Reviewed Internal Audit's prior annual audit reports (i.e. FY24-FY25) and incorporated the relevant audit topics.
- Evaluated the results of the audits and reviews that Internal Audit conducted during prior years. This information helped to identify which areas needed an internal audit and determine their urgency.
- Considered new topics obtained from the School Board, Audit Committee members and STPPS employees.

3. Re-evaluated risk conditions because of recent changes to school and central office operations.

II. Prioritization of Audit Topics

1. Examined available financial and benchmarking data to assess the financial and non-financial impact of the audit topics. For benchmarking data, Internal Audit reviewed 66 internal audit reports from FY24-FY25 in the school activity fund category.

2. Evaluated the potential audit topics regarding a variety of risk factors including financial, reputational, and operational risks, frequency of audits, and prior audit issues. Internal Audit categorized the 19 audit topics and 55 School Activity Funds into the following priorities (See Appendix):

- Primary – 24
- Secondary – 24
- Long-term – 26

* Primary includes the 18 School Activity Funds and 6 primary topics listed on Appendix. The schools selected were either high schools or schools with new principals and/or bookkeepers. The Primary designation represents the most relevant and highest audit risk areas for Internal Audit to focus during FY27. The detailed analysis of the Primary audit priorities is presented under "III. Determination of FY27 Annual Audit Plan" section below.

In categorizing the following audit topics as secondary or long-term topics, Internal Audit notes its rationale:

- School Activity Funds (20) Were selected as Secondary as they had not been audited since FY24. The remaining 17 schools were audited in FY25 and selected as Long Term. ***Note: All schools will be audited as soon as operationally possible.***
- Maintenance Department
- Payroll & Human Resources
- Substitute, Special & Timesheet Pay
- Travel
- Accounting (no prior findings)
- Federal Grants (no prior findings)
- Fixed Assets, Purchasing & Bid Law (no prior findings)
- General fund & Bank Reconciliation (no prior findings/exceptions)
- Information Technology (no prior findings)
- Land
- School Food Service (no prior findings)

- Vending (no prior findings)

III. Determination of FY27 Audit Plan

Created the detailed FY27 Internal Audit Operational Plan based on assessed risk and input from senior administrators. The audit plan is a dynamic document that may change during the fiscal year as circumstances change. The plan will be adjusted, as necessary, in response to operations, controls, audit resources, and management requests. Significant deviations from the approved internal audit plan will be communicated to the Superintendent and senior administrators through periodic activity reports.

In accordance with School Board Policy, Internal Audit's main role and scope of work include:

- Assessing the adequacy and effectiveness of the system of risk management and internal controls operated within the School Board;
- Reviewing and evaluating compliance with policies, plans, procedures, laws, and regulations;
- Assessing the reliability and integrity of information;
- Safeguarding School Board assets; and
- Other assessments as approved by the Board and delegated to the Audit Committee.

In defining the type of audits, Internal Audit follows Government Auditing Standards (2024 Revision)

Audit Type	Description	FY27 Internal Audit Proposed Audits
Financial Audits	Concentrates on review of specific financial transactions and financial transactions and operating data, to ensure the reliability and accuracy of the School Board's financial and operating reports. Focuses on continued evaluation of internal auditing and financial controls.	School Activity Funds Donations Petty Cash
Attestation, Reviews & Agreed Upon Procedures	Seeks to determine whether the School, Department or programs under review have complied with applicable statutory laws, regulations both internal and external, School Board policy and procedures, and commonly acceptable principles of good management.	Mandatory Reporter Activity Bus Drivers Confidential Information
Performance Audits	Involves an independent, systematic evaluation of the activities under review for the purpose of improving organizational and operating effectiveness, increasing the attainment of School Board objectives, as well as the achievement of program purposes. Seeks to ensure the maximum benefit is received for the resources utilized.	Transportation

The following table summarizes the key metrics of the seven FY27 Primary priorities with reference to the level of interest from STPPS stakeholders:

<i>Audit Topic Reference (Appendix)</i>	<i>Reference</i>	<i>Topic Identified</i>
School Activity Funds (18)	Admin. Guidelines/ Best Business Practices for School Activity Funds	Internal Controls over and Compliance with School Board Policy over approximately \$8.2M available in school activity funds.
Mandatory Reporting	Board Policy JGCE	Compliance with Louisiana CHC 603.1
Confidential Information	Board Policy CG	Information Security
Donations	Board Policy DFG	Risk of Misappropriation
Petty Cash	Board Policy DJB	Risk of Misappropriation
Activity Drivers	DOE Bulletin 119	Student Safety
Transportation		Performance, Operational

FY27 Internal Audit Operational Plan Timeline

	Aug- 26	Sep- 26	Oct- 26	Nov- 26	Dec- 26	Jan- 27	Feb- 27	Mar- 27	Apr- 27	May- 27	Jun- 27
1 School Activity Funds											
2 Mandatory Reporting											
3 Activity Bus Drivers											
4 Confidential Information											
5 Donations											
6 Petty Cash											
7 Transportation											

Continuous monitoring will be utilized to enhance Internal Audit's understanding of the changing risk profile of areas within STPPS and improve the targeting of future audit efforts.

APPENDIX

		<i>Report Date</i>			<i>Planned</i>		
		FY24	FY25	FY26	FY27	FY27-28	FY28 & After
<u>School Activity Funds</u>							
1	Abita Springs Elementary				Primary		
2	Abita Springs Middle School	X			Primary		
3	Abney Early Childhood Center	X	X				Long Term
4	Abney Elementary		X		Primary		
5	Alton Elementary	X				Secondary	
6	Bayou Lacombe Middle		X		Primary		
7	Bayou Woods Elementary		X				Long Term
8	Bonne Ecole Elementary		X				Long Term
9	Boyet Jr. High	X	X				Long Term
10	Brock Elementary		X				Long Term
11	Carolyn Park Middle		X				Long Term
12	Chahta-Ima Elementary		X				Long Term
13	Clearwood Jr. High	X	X				Long Term
14	Covington Elementary		X				Long Term
15	Covington High	X	X		Primary		
16	Creeside Jr. High	X				Secondary	
17	Cypress Cove Elementary	X				Secondary	
18	Fifth Ward Jr. High	X			Primary		
19	Florida Avenue Elementary	X			Primary		
20	Folsom Elementary	X				Secondary	
21	Folsom Jr. High	X				Secondary	
22	Fontainebleau High	X	X		Primary		
23	Fontainebleau Jr. High	X				Secondary	
24	Honey Island Elementary	X				Secondary	
25	Lake Harbor Middle	X				Secondary	
26	Lakeshore High	X	X		Primary		
27	Lancaster Elementary		X				Long Term
28	Lee Road Jr. High	X				Secondary	
29	Little Oak Middle	X				Secondary	
30	Little Pearl Elementary	X				Secondary	
31	Lyon Elementary	X			Primary		
32	Madisonville Elementary	X				Secondary	
33	Madisonville Jr. High		X				Long Term
34	Magnolia Trace Elementary		X				Long Term
35	Mandeville Elementary	X				Secondary	
36	Mandeville High	X	X		Primary		
37	Mandeville Jr. High	X				Secondary	
38	Marigny Elementary		X				Long Term

continued

	Report Date			Planned		
	FY24	FY25	FY26	FY27	FY27-28	FY28 & After
39 Mayfield Elementary	X				Secondary	
40 Monteleone Jr. High		X		Primary		
41 Northshore High	X	X				Long Term
42 Pearl River High	X	X		Primary		
43 Pine View Middle		X		Primary		
44 Pitcher Jr. High	X			Primary		
45 Pontchartrain Elementary		X				Long Term
46 Riverside Elementary		X				Long Term
47 Salmen High	X	X		Primary		
48 Sixth Ward Elementary		X				Long Term
49 Slidell High	X	X		Primary		
50 Slidell Jr. High	X	X		Primary		
51 Sloan (Mandeville) Middle	X				Secondary	
52 St. Tammany Jr. High	X				Secondary	
53 Tchefuncte Middle	X				Secondary	
54 Whispering Forest Elementary		X			Secondary	
55 Woodlake Elementary	X				Secondary	
<u>Audit Topics</u>						
Accounting	X					Long Term
Confidential Information	X	X		Primary		
Donations		X		Primary		
Federal Grants	X					Long Term
Fixed Assets, Purchasing & Bid Law	X					Long Term
General Fund & Bank Reconciliation		X				Long Term
Information Technology	X					Long Term
Land		X				Long Term
Maintenance Department	X	X			Secondary	
Payroll & Human Resources	X				Secondary	
Petty Cash	X	X		Primary		
School Food Service	X					Long Term
Substitute, Special & Timesheet Pay		X			Secondary	
Title Funds		X				Long Term
Travel					Secondary	
Transportation				Primary		
Activity Bus Drivers	X	X		Primary		
Vending	X					Long Term
Mandatory Reporter				Primary		
Audit Report Count:	47	39	0	24	24	26