

# **Annual Risk Assessment and Audit Plan 2023**

Prepared by the Internal Audit Department  
February 7, 2023

## **Overview**

In accordance with the Institute of Internal Auditors' (the IIA) *International Professional Practices Framework*, Standard 2010 – Planning, the Internal Audit Department has prepared a risk-based Audit Plan for Calendar Year 2023. The 2023 Audit Plan is a description of the internal audit activities that will be performed by the Internal Audit Department during the calendar year.

The process of preparing the 2023 Audit Plan included identifying those areas that are considered the most important and ensuring that activities with the greatest risk are audited. In accordance with District board policy CFC (Local), the Board of Trustees shall “approve annually the internal audit plans and any changes”. This Audit Plan is to be presented for review and approval at the February 2023 Board of Trustees meeting.

## **Development of the 2023 Annual Audit Plan**

The IIA's *International Professional Practices Framework* includes standards that require Internal Auditors to develop an Audit Plan based on the assignment of risk. The Internal Auditors first identify an “Audit Universe”, which is a subjective assessment of auditable areas within the District. To identify the Audit Universe, the Internal Audit Department reviewed the District's Organizational Chart, prior Audit Plans, the Annual Comprehensive Financial Report, and considered auditor knowledge of the District. The Internal Auditor also met with District Leadership for input into the Audit Universe and Risk Assessment.

The auditable areas were broken into three areas:

1. Academics
2. Human Capital Management
3. Finance and Operations

A Risk Assessment was then conducted on the Audit Universe and areas were evaluated based on certain risk factors. The Risk Assessment was designed to measure certain risk factors necessary for the District to meet its goals and objectives. The Internal Audit Department's goal is to provide reasonable assurance that the concept of risk-based auditing was applied. The risk factors used were:

- Management Interest – Interest by management to have an area audited due to operational or internal control concerns.
- Budget Risk – The risk that the District's annual budget would be severely affected by factors that are not planned for or anticipated.
- Strategic Risk – The risk that poor business decisions or improper implementation of strategic goals will reduce the District's ability to meet those goals.
- Reputation Risk – The risk that the District's public image would be harmed due to improper actions on the part of management or staff.
- Compliance Risk – The risk that the District fails to comply with local, state, or federal laws and regulations.

- Time Since Last Audit – The risk that certain high-risk areas within the District are not audited on a periodic basis
- Change in Management – The risks in an area may increase with new management being assigned to an area identified in the Audit Universe.

The Audit Universe areas were scored by risk factor on a scale of 1 to 5. A weight for each risk was then applied for a total weighted score. The highest weighted scores were included in the 2023 Annual Audit Plan.

The Audit Plan can be found at pages 5-6. The Annual Risk Assessment can be found on pages 7-9.

### **Scope of Audits**

The IIA's *International Professional Practices Framework* addresses the scope of work of the internal auditor. Standards 2120.A1 states that "the internal audit activity must evaluate risk exposures relating to the organization's governance, operations, and information systems" regarding the:

- Achievement of the organization's strategic objectives.
- Reliability and integrity of financial and operational information.
- Effectiveness and efficiency of operations and programs.
- Safeguarding of assets.
- Compliance with laws, regulations, policies, procedures, and contracts.

### **Budget and Staffing**

The available audit hours budget for the Internal Audit Department for calendar year 2023 takes into consideration an existing vacancy in the department as well as a shortened year due to the change in audit leadership.

Once the vacancy is filled, the Internal Audit Department will have five full time and one part time staff members. Below are the positions.

- Internal Auditor
- Senior Staff Auditor
- Staff Auditor II
- Staff Auditor I
- Administrative Clerk IV
- Part time auditor (college student)

In order to provide the best service to the District and in order to remain in compliance with IIA standards over Due Professional Care, the Internal Audit Department staff attends professional training opportunities. Professional development is offered by:

- The Institute of Internal Auditors (IIA)

- Association of Certified Fraud Examiners (ACFE)
- Texas Association of School Business Officials (TASBO)
- Association of Government Accountants (AGA)
- Texas Society of Certified Public Accountants (TXCPA)

Internal Audit Department staff is also encouraged to pursue professional designations and/or master's level degrees including Certified Internal Auditor (CIA), Certified Government Auditing Professional (CGAP), Certified Fraud Examiners (CFE), and others.

### **Calculation of 2023 Available Audit Hours**

The calculation of Available Audit Hours is included at page 10. A total of 7,307 hours will be available for the audit year covering February through December. The hours are divided into the following categories.

	Total Hours	
	Hours	Percent
Audit Project Hours	4,410	60%
Hotline reviews	866	11%
Administrative, non-project	2,031	29%
Total Hours	7,307	100%

The Internal Audit Department respectfully submits this Annual Plan for consideration at the February Board of Trustees meeting.

YISD Internal Audit Department  
2023 Annual Audit Plan  
Approved: February 15, 2023

**Total Hours**

Category	Budget
Audit Project Hours	
Campus Audits	2,100
Non-Campus Risk Based Audits	1,600
Carryover from 2022	160
Follow-up Review from 2022 Projects	400
Annual Audits	
Review of Superintendent and Board Expenditures	100
Annual Inventory Review	50
Hotline reviews	866
Administrative, non project based	2,031
<b>Total</b>	<b>7,307</b>

**Detailed Audit Project Hours**

Description	Budget
Campus Audits (Cash Management, Attendance, PEIMS)	
Elementary Schools (15 campuses)	900
Middle Schools (5 campuses)	400
High Schools (4 campuses)	500
Other (Includes PK, K-8, 6-12, non traditional) (4 campuses)	300
Non-campus Risk Based Audits	
Campus Safety	250
Career and Technology	350
Child Nutrition Services	350
Esser I, II, III Funding	325
Title I, II, IV Funding	325
Carryover from 2022	
Associate Superintendent of Finance - Exit	20
Ysleta Community Learning Center	40
Professional Services	40
Academic Language Programs	50
Annual Inventory Review	50
Annual Review of Super and BOT Expenditures	100
Follow-up Reviews of 2022 Audits	
ADA - Glen Cove	16
ADA - Sageland	16
ADA - Capistrano	16
ADA - Dolphin Terrace	16
ADA - Eastwood Heights	16
ADA - Pebble Hills	16
ADA - Vista Hills	16
ADA- Pasodale	16

YISD Internal Audit Department  
2023 Annual Audit Plan  
Approved: February 15, 2023

Description	Budget
Follow-up Reviews of 2022 Audits (Continued)	
Cash Management - Tierra de Sol	20
Exit Audit - Bel Air Middle	16
Exit Audit - Del Valle High	16
Exit Audit - Del Valle Middle	16
Exit Audit - Desertaire	16
Exit Audit - Eastwood High	30
Exit Audit - Eastwood Knolls	16
Exit Audit - Lancaster	16
Exit Audit - Tierra del Sol	16
PEIMS-HS	40
Security	40
Special Education	60
<b>Total</b>	<b>4,430</b>

**Details of Administrative, non-project**

Description	Budget
Administrative	1,284
Vacation/Sick Leave	455
Professional Development	
Institute of Internal Auditors	56
Association of Certified Fraud Examiners	56
TASBO	180
<b>Total</b>	<b>2,031</b>

YISD Internal Audit Department  
Audit Universe and 2023 Risk Analysis  
February 7, 2023

	15%	10%	20%	20%	20%	7.5%	7.5%	100%	
	1 - Low to 5 - High	1 - Low to 5 - High	1 - Low to 5 - High	1 - Low to 5 - High	1 - Low to 5 - High	1 - 2022 to 5 - >=2018	1 - Low to 5 - High		
	1	2	3	4	5	6	7		
Description	Management Interest	Budget Risk	Strategic Risk	Compliance Risk	Reputation Risk	Time since last audit	Change in Management	Raw Total	Weighted Total
<b>ACADEMICS</b>									
21st Century Grant	1	1	1	1	1	2	4	11	12
Academic Language Programs	3	1	3	4	3	1	4	19	22
Advanced Academics	1	1	2	1	2	5	5	17	19
Gifted and Talented (GT)	3	1	1	2	2	5	5	19	21
Assessment, Research, Evaluation, and Accountability	1	2	5	2	3	5	2	20	23
Career and Technology	3	1	3	3	3	5	5	23	26
Curriculum and Instruction	1	1	3	1	1	5	1	13	15
Dyslexia	3	1	1	4	3	1	2	15	17
Federal and State Education Programs									
Title I, II, IV	5	3	1	4	3	5	4	25	28
Migrant Education Program	3	1	1	2	2	5	4	18	20
Title III	5	1	2	3	3	1	2	17	20
Esser I, II, III	5	3	1	4	3	5	4	25	28
Homeless Children and Youth Pgm	3	1	1	2	2	5	4	18	20
FERPA Compliance	3	1	1	4	3	5	1	18	21
Fine Arts	1	1	1	1	1	5	1	11	12
Innovative Learning	1	1	1	1	1	5	5	15	17
Library Services	1	1	1	2	1	5	2	13	15
Office of Assoc Super Elem. Schools	1	1	1	1	1	2	4	11	12
Office of Assoc Super High Schools	1	1	1	1	1	1	5	11	12
Office of Assoc Super Middle Schools	1	1	1	1	1	2	1	8	9
Office of Assoc Super School Improv.	1	1	1	1	1	5	2	12	13
Response to Intervention	1	1	2	3	3	5	2	17	19
School Counseling	1	1	1	2	3	2	2	12	14
Graduation Requirements	3	1	2	2	5	5	2	20	23
Special Education	5	2	2	5	5	1	2	22	26
Transitional Education Program	1	1	1	1	2	5	2	13	15

YISD Internal Audit Department  
Audit Universe and 2023 Risk Analysis  
February 7, 2023

	15%	10%	20%	20%	20%	7.5%	7.5%	100%	
	1 - Low to 5 - High	1 - Low to 5 - High	1 - Low to 5 - High	1 - Low to 5 - High	1 - Low to 5 - High	1 - 2022 to 5 - >=2018	1 - Low to 5 - High		
	1	2	3	4	5	6	7		
Description	Management Interest	Budget Risk	Strategic Risk	Compliance Risk	Reputation Risk	Time since last audit	Change in Management	Raw Total	Weighted Total
<b>HUMAN CAPITAL MANAGEMENT</b>									
Child Nutrition Services	5	3	1	5	5	4	2	25	29
Communications and Marketing	1	1	1	1	1	5	5	15	17
Employee Grievance Process	1	1	1	3	4	5	1	16	18
Employee Records Management	1	1	1	2	2	5	1	13	15
HR Information Systems	1	1	1	1	2	5	1	12	14
Mentoring and Teacher Quality	3	1	1	1	1	2	3	12	14
Recruitment and Hiring	1	1	3	1	2	5	1	14	16
Student Services	1	1	1	3	3	1	5	15	17
Loss of Credit due to Absences	3	1	1	2	3	1	5	16	18
Truancy	1	1	1	3	3	5	5	19	21
Student Discipline	1	1	1	2	3	5	5	18	20
Teacher Certification	1	1	1	2	3	1	1	10	12
Termination and Employee Exit Process	1	1	1	1	1	5	1	11	12
Title IX Compliance	3	1	1	3	5	5	1	19	22
<b>FINANCE AND OPERATIONS</b>									
Accounting	1	3	1	3	2	1	3	14	16
Athletics	1	1	1	3	3	2	2	13	15
Bond Management	1	4	3	3	4	4	1	20	23
Budget	1	1	1	2	2	5	1	13	15
Business Information Systems	1	1	1	1	1	5	1	11	12
Campus Activity Funds - Cash Management									
High Schools	5	1	2	3	5	2	2	20	23
Middle Schools	5	1	2	3	5	2	2	20	23
Elementary Schools	5	1	2	3	5	1	2	19	22
PK, K-8 and other campuses	5	1	2	3	5	1	2	19	22
Competitive Grants	1	2	1	3	2	5	1	15	17
Comprehensive Care Cente	1	1	1	3	3	2	1	12	14
District Initiatives and Affairs	1	1	1	1	1	5	3	13	14



YISD Internal Audit Department  
Audit Universe and 2023 Risk Analysis  
February 7, 2023

	15%	10%	20%	20%	20%	7.5%	7.5%	100%	
	1 - Low to 5 - High	1 - Low to 5 - High	1 - Low to 5 - High	1 - Low to 5 - High	1 - Low to 5 - High	1 - 2022 to 5 - >=2018	1 - Low to 5 - High		
	1	2	3	4	5	6	7		
Description	Management Interest	Budget Risk	Strategic Risk	Compliance Risk	Reputation Risk	Time since last audit	Change in Management	Raw Total	Weighted Total
Emergency Operations and Preparedness	1	1	1	3	5	5	1	17	20
Campus Safety	3	1	3	3	5	5	1	21	24
Facilities and Construction	1	1	1	1	3	5	3	15	17
Fixed Asset Management	1	1	1	1	1	5	4	14	16
Health Services	1	1	1	3	3	1	3	13	15
JROTC	1	1	1	1	2	5	1	12	14
Maintenance	1	2	1	1	2	5	1	13	15
Payroll	1	3	1	1	3	1	3	13	15
Procurement Card Management	5	1	1	2	4	5	5	23	26
Purchasing	1	2	1	4	3	3	1	15	17
Records Management	1	1	1	2	1	5	1	12	14
Risk Management	1	3	1	3	2	3	1	14	16
District/Campus Security	1	1	1	4	5	2	4	18	21
Student Information Systems	1	1	1	1	2	5	1	12	14
Student Attendance Accounting									
High Schools	5	2	5	4	3	3	2	24	28
Middle Schools	5	2	5	4	3	3	2	24	28
Elementary Schools	5	2	5	4	3	1	2	22	26
PK, K-8 and other campuses	5	2	5	4	3	1	2	22	26
PEIMS Rept. (At risk, Leavers, etc)									
High Schools	5	2	3	4	3	2	2	21	24
Middle Schools	5	2	3	4	3	3	2	22	25
Elementary Schools	5	2	3	4	3	3	2	22	25
PK, K-8 and other campuses	5	2	3	4	3	3	2	22	25
Technology Information Systems	1	1	1	2	2	5	3	15	17
Telecommunications	1	1	1	1	1	5	5	15	17
Transportation	1	2	1	3	3	1	4	15	17
Warehouse Receiving and Inventory Management	1	1	1	1	1	1	1	7	8
Edgar Compliance	1	2	1	3	3	2	1	13	15
Review of Reimb. To BOT and Superint.	1	1	1	2	4	5	1	15	17

YISD Internal Audit Department  
Calculation of Available Hours  
February 7, 2023

	Total Hours		Internal Auditor		Audit Staff	
	Hours	Percent	Hours	Percent	Hours	Percent
Audit Project Hours	4,409	60%	594	35%	3,815	68%
Hotline reviews	866	12%	305	18%	561	10%
General Administration	1,284	18%	611	36%	673	12%
Vacation/Sick Leave	455	6%	119	7%	337	6%
Professional Development	292	4%	68	4%	224	4%
Total Hours	<b>7,307</b>	100%	1,696	100%	5,611	100%

	Working hours/mo	Internal Auditor	Senior Staff Auditor	Auditor II	Auditor I	PT Auditor	Total Per Month
February	160	160		160	160	78	558
March	144	144		144	144	70	502
April	152	152	152	152	152	74	682
May	176	176	176	176	176	86	790
June	176	176	176	176	176	86	790
July	128	128	128	128	128	62	574
August	184	184	184	184	184	90	826
September	160	160	160	160	160	78	718
October	176	176	176	176	176	86	790
November	128	128	128	128	128	62	574
December	112	112	112	112	112	55	503
	1,696	1,696	1,392	1,696	1,696	827	<b>7,307</b>