



Internal Audit Audit Plan

June 27, 2023



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To the Audit Advisory Committee and School Board:

Attached is our report on the Internal Audit Risk Assessment and 2023-2024 Internal Audit Plan for Orange County Public Schools.

This report provides information about the condition of risks at one point in time. Future changes in environmental factors and actions by personnel may significantly and adversely impact these risks in ways that this report did not and cannot anticipate.

Please let me know if you have any questions or if we can assist in any way with other matters.

– Linda J. Lindsey, CPA, CGAP
School Board Internal Auditor



Risk Assessment Process Overview

- Conducted interviews with School Board members, Superintendent, Chiefs and selected management
- Facilitated management's identification of risks/areas of concern
- Used ERM toolkit to evaluate likelihood and consequence of risks and develop risk ratings
- Leveraged Internal Audit's knowledge obtained from other engagements
- Considered results of Auditor General and other external audits

Risk Assessment Process Overview (Continued)

- Created a universe of auditable areas
- Evaluated risks associated with each auditable area
- Considered risk ratings from management and Internal Audit to develop audit risk scores
- Ranked the auditable universe by audit risk scores
- Sorted ranked areas by capital/facilities, IT and internal audit categories and data analytics
- Developed the proposed audit plan

General Risk Area Definitions

General Risk Areas	Risk Area Definition
Public/ Political	How the district is viewed in the eyes of the general public
Strategic	Effectiveness in achieving district goals and objectives; efficiency of operations
Financial	Accuracy of financial reporting, financial sustainability and viability of the district, and safeguarding of financial assets
Legal	Exposure to lawsuits and legal challenges; compliance with internal policies and procedures and external laws/regulations
Data	What type of data is held or processed, whether third parties are involved, criticality of data to district strategic goals

General Risk Areas

Public/
Political

Strategic

Specific Risk Areas (Not in any particular order)

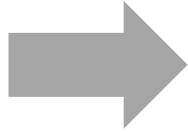
- Reputation/ public relations
- Tone at the top
- Community partnerships
- Student and staff safety
- Growth management / school planning

- Third-party relationships
- Facilities construction
- Vulnerability management
- Business continuity
- Results of ESSER funded programs
- IT operations
- Student and staff safety
- Staff hiring and retention challenges

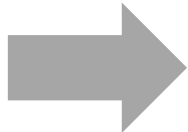
Indicates areas rated as Very High or High risk by Management and included in Proposed Audit Plan

General Risk Areas

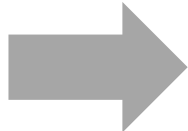
Financial



Legal



Data



Specific Risk Areas (continued)

- Inadequate funding
- Cash & investments
- Self insurance fund deficits
- Procurement
- Family Empowerment Scholarship Impact
- Debt

- Impact fees
- Contracts
- Statutory compliance
- Litigation
- Labor/employment matters
- Ethics program
- School Board policies
- ESE compliance

- Data with third parties
- Personally identifiable information
- Cybersecurity
- Critical reporting
- Management reports
- Management of student data

2023-2024 Internal Audit Projects

- Capital Program / Facilities
 - New/renovated schools project audits (contract & self-performed)
 - Capital renewal project audits (contract & self-performed)

2023-2024 Internal Audit Projects

(Continued)

- IT Audit
 - Student information gradebook (carried over)
 - Firewall security (carried over)
 - Infrastructure & network services (carried over)
 - School communication apps

2023-2024 Internal Audit Projects (Continued)

- IT Audit (continued)
 - Penetration testing
 - Change and patch management

2023-2024 Internal Audit Projects (Continued)

- Internal Audit
 - State reporting (carried over)
 - Third party relationships
 - Instructional materials & library media
 - School safety and security

2023-2024 Internal Audit Projects (Continued)

- Internal Audit (continued)
 - Fuel management (carried over)
 - Student enrollment
 - Impact fees

2023-2024 Internal Audit Projects (Continued)

- Data Analytics
 - OCPS vs. bank files
 - Master file changes
 - Inactive vendors
 - Direct pays

2023-2024 Internal Audit Projects (Continued)

- Outsourced / Co-sourced Audits
 - External financial audit (includes Sales Tax & Capital Renewal Funds for COVE)
 - Schools' internal accounts
 - Construction projects cost verification

Ongoing Internal Audit Activities

- Tracking management responses to audit findings
- Managing contracted audit services
- Investigations (as needed)
- Facilitation of management's risk assessment process
- Training new managers, management leadership academy, PFPA, others
- Staffing the fraud hotline & promoting the district's internal control program
- Continuing professional education

Features of the Audit Plan

- Flexibility to respond to management requests, unforeseen audits, and investigations without significant disruption to the core plan
- Ability to incorporate data analytics and strategic assessments as opportunities or risks are identified
- Department to self-perform 3-5 school audits

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