

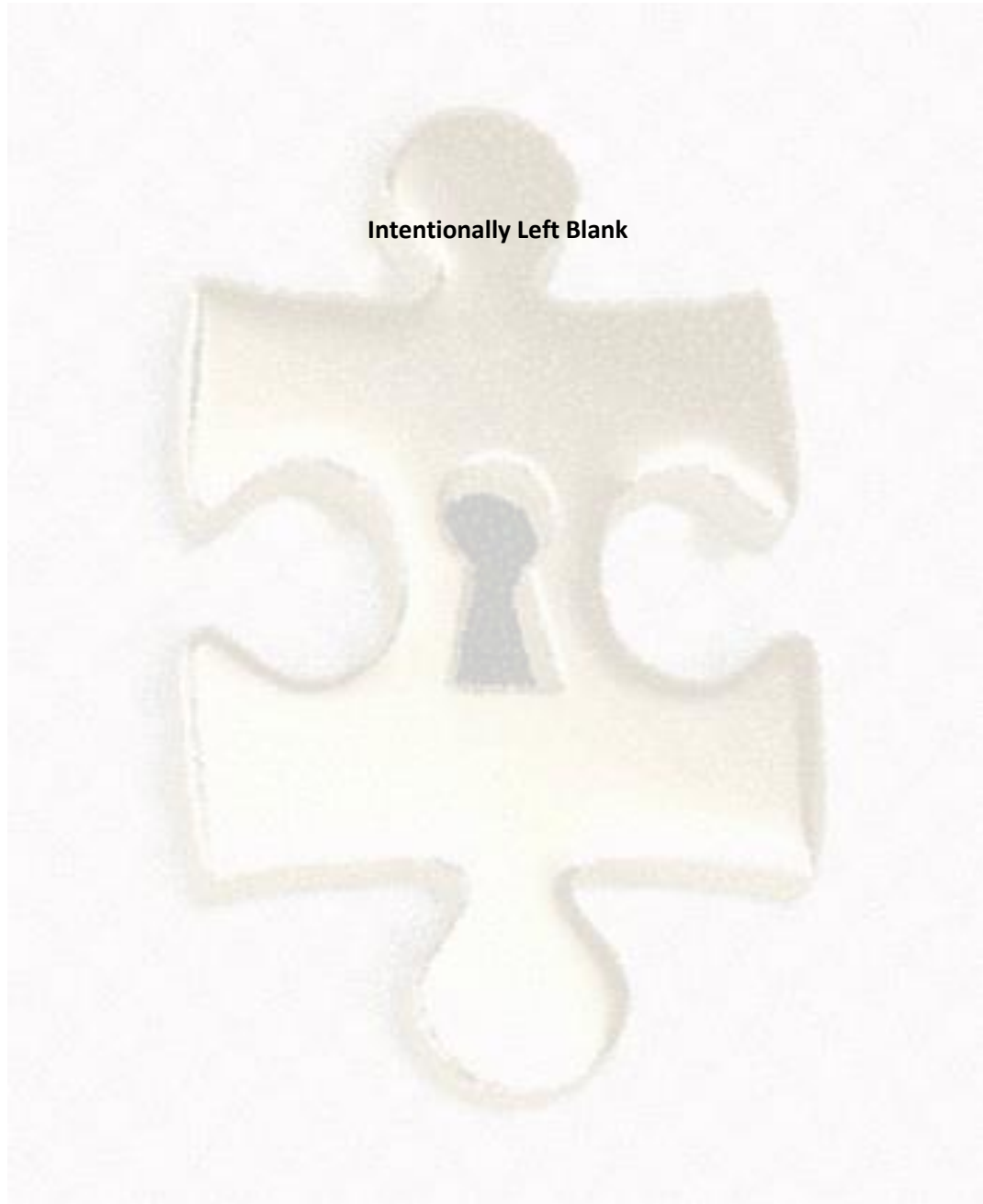


**Office of Internal Audit  
Internal Audit Plan for Calendar Years 2023 and 2024**



**Office of Internal Audit  
*Adding Value and Improving  
PWCS' Operations***

**Intentionally Left Blank**



## **Introduction**

The Office of Internal Audit provides independent and objective audit services to the School Board and Superintendent in a systematic, disciplined approach over the Division's operations, finances, risk management, control, and governance processes. To maintain independence and objectivity, the Office and its activities reports functionally to the Internal Audit Committee in accordance with Prince William County Schools (PWCS) Policy 361, PWCS Regulation 361-1, and IIA Standards. Accordingly, all internal audits, whether conducted directly or through contractual services are conducted under the direct control, oversight, and day to day supervision of the Chief Internal Auditor with the goal of adding value to improve operations through collaboration, transparency, and promoting teamwork in a diverse work environment.

The following pages detail the 2023 and 2024 Annual Audit Plans, the audits to be conducted, a description of those reviews, and other activities. The Annual Plans were based on the Office of Internal Audit's independent risk assessment and input from the Internal Audit Committee, Superintendent of Schools, and other senior management. The Plans focus heavily on risks that have an impact on the achievement of PWCS Strategic Plan, as well as the efficiency and effectiveness of operations, and internal controls over key processes. The Plans also include site visits and reviews of select schools within the Division.

### **CY23 and CY24 Audit Plan & Long-term Audit Priorities**

The Office of Internal Audit prioritizes its audits into Calendar Years 2023 and 2024 and Long-term Audit Priorities (Calendar Years 2025 and beyond). To help achieve the completion of the Audit Plans, the Office of Internal Audit employs a Chief Internal Auditor and Internal Audit Manager. To help complete the Audit Plans, another full-time position of an IT Auditor will be requested during the budget process for fiscal year 2024.

Occasionally, unforeseen circumstances may prevent the completion of an audit planned in 2023/24. For example, an audit area may experience significant turnover or operational changes that make conducting an audit impractical at that time. If this occurs, Internal Audit may schedule an audit from the 2024 Audit Plan and/or an audit topic listed on the long-term audit priorities as a replacement.

## 2023 Audit Plan

**Note:** Some Audits/Activities are pending the addition of a full-time IT Auditor in order to complete the Audit Plan.

Audit/Activity	Internal Stakeholders	Description
Title IX – School Athletic Programs Audit	Office of Equity, Schools	The review of Title IX compliance pertaining to school athletic programs.
Fundraising Activities Audit	Department of Finance, Schools	The review of fundraising activities compliance pertaining to Cooperative organizations (PTA/PTO/Booster), school fundraisers, gate receipts, and controls for receipts and expenditures.
Graduation & Student Grading Audit	Administration, Schools	The review of graduation and student grading pertaining to students meeting graduation requirements and the practice of weighted classes.
Special Education Services Audit	Administration, Schools	The review of special education services pertaining to how budgeted monies were utilized at the schools. Additionally, Internal Audit will follow-up on the status of the findings and recommendations from a previous external audit of this area.
Human Resources Hiring Process Audit	Department of Human Resources	The review of the hiring process for compliance with established hiring policies/processes.
To Be Determined Audit	N/A	Internal Audit sets aside time for an audit topic to be determined later by the Audit Committee. This flexibility allows for a more dynamic audit plan.
On-Site School Audits (Elementary, Middle, & High)	Schools	The review of Schools’ compliance pertaining to cash receipts, cooperative organizations, computer inventory, purchase cards, and time and leave. Internal Audit will focus on Schools that had turnover in key positions (Principal, Financial Specialist, etc.), as well as situations as deemed necessary.
Various Follow-Up Audits	Previously audited Schools, Departments, & Offices	In accordance with professional standards, Internal Audit will conduct follow-up activities to determine whether management has addressed the issues noted during an audit.
Audit Committee Meetings	Audit Committee	Internal Audit will present work progress and audit reports to the Audit Committee during regularly scheduled meetings.
Office of Internal Audit Annual Report	Internal Audit	Internal Audit will produce an annual report, which summarizes its mission and charter, accomplishments, and upcoming projects.
Risk and Control Process Improvement Assessments	Various	Internal Audit will partner with process owners to examine key processes, identify key risks, mitigation controls, and the overall internal control design effectiveness on an ad-hoc basis.
Continuous Auditing & Business Intelligence	Various	Internal Audit will pursue continuous auditing and business intelligence on financial and non-financial data. Internal Audit will utilize technology-based audit

		techniques to analyze patterns/trends and select/test transactions to further understand risks and identify exceptions in a timely and efficient manner.
CY24 & CY25 Risk Assessment	Schools, Departments, & Offices	A formal risk assessment is the primary tool auditors use to establish its priorities and annual audit plan.
Outreach and Training	Schools, Departments, & Offices	In order to enhance the awareness of Internal Audit's mission and results with internal stakeholders, Internal Audit will perform various outreach and trainings.
Fraud, Waste, and Abuse Inquiry	Schools, Departments, & Offices	Internal Audit administers the Fraud, Waste and Abuse hotline and receives inquiry via the hotline, email account, direct emails, and walk-ins. Per Regulation 351-1.
Enterprise Risk Management (ERM) Pilot	Office of Superintendent	Internal Audit will start a phased approach to creating and launching an Enterprise Risk Management program. Internal Audit will facilitate regular risk discussions throughout the year with senior management to identify the most significant risks facing PWCS.
Quality Assurance & Improvement Program	Internal Audit	Internal Audit strives to exceed customer expectations as well as professional responsibilities inherent in conforming to the Institute of Internal Auditors Standards. Internal Audit will review its activities and look to "build in" quality with its activities and to foster continuous improvement in operations.
Peer Review Readiness	Internal Audit	Per the Institute of Internal Auditors Standards (IIA), Internal Audit must obtain an external assessment (e.g. peer review) that is conducted by an independent and external person or party. Internal Audit will conduct an internal assessment to evaluate conformance with the IIA Standards and Code of Ethics.
Professional Development	Internal Audit	Internal Audit standards require staff performing work under the standards maintain professional competency through Continued Professional Education (CPE). Staff holding professional certifications are required to obtain an average of 40 CPE hours per year to maintain their certification status.

## 2024 Audit Plan

**Note:** Some Audits/Activities are pending the addition of a full-time IT Auditor in order to complete the Audit Plan.

Audit/Activity	Internal Stakeholders	Description
Construction Management Audit	Facilities, Operations	This review of Construction Management pertains to bidding of projects and the adequacy of internal controls over those projects.
Transportation Operations Audit	Transportation Department	This review of transportation operations pertains to adequacy of the availability of buses, garage operations, and other key processes/risks related to transportation operations.
Succession Planning Audit	Department of Human Resources	This review of Succession Planning pertains to whether PWCS has developed and executed a succession plan strategy.
IT Data Privacy Audit	IT	This review of data privacy pertains to controls over information stored at PWCS as well as third party vendors.
To Be Determined Audit	N/A	Internal Audit set aside time for an audit topic to be determined later by the Audit Committee. This flexibility allows for a more dynamic audit plan.
On-Site School Audits (Elementary, Middle, & High)	Schools	The review of Schools' compliance pertaining to cash receipts, cooperative organizations, computer inventory, purchase cards, and time and leave. Internal Audit will focus on Schools that had turnover in key positions (Principal, Financial Specialist, etc.), as well as situations as deemed necessary.
Various Follow Up Audits	Previously audited Schools, Departments, & Offices	In accordance with professional standards, Internal Audit will conduct follow-up activities to determine whether management has addressed the issues noted during an audit.
Audit Committee Meetings	Audit Committee	Internal Audit will present work progress and audit reports to the Audit Committee during regularly scheduled meetings.
Office of Internal Audit Annual Report	Internal Audit	Internal Audit will produce an annual report, which summarizes its mission and charter, accomplishments, and upcoming projects for the School Board.
Risk and Control Process Improvement Assessments	Various	Internal Audit will partner with process owners to examine key processes, identify key risks, mitigation controls, and the overall internal control design effectiveness on an ad-hoc basis.
Continuous Auditing & Business Intelligence	Various	Internal Audit will pursue continuous auditing and business intelligence on financial and non-financial data. Internal Audit will utilize technology-based audit techniques to analyze patterns/trends and select/test transactions to further understand risks and identify exceptions in a timely and efficient manner.

CY25 & CY26 Risk Assessment	Schools, Departments, & Offices	A formal risk assessment is the primary tool auditors use to establish its priorities and annual audit plan.
Outreach and Training	Schools, Departments, & Offices	In order to enhance the awareness of Internal Audit's mission and results with internal stakeholders, Internal Audit will perform various outreach and trainings.
Fraud, Waste, and Abuse Inquiry	Schools, Departments, & Offices	Internal Audit administers the Fraud, Waste and Abuse hotline and receives inquiry via the hotline, email account, direct emails, and walk-ins. Per Regulation 351-1.
Enterprise Risk Management (ERM)	Office of Superintendent	Internal Audit phased approach to implementing an Enterprise Risk Management program. Internal Audit will facilitate regular risk discussions throughout the year with senior management to identify the most significant risks facing PWCS.
Quality Assurance & Improvement Program	Internal Audit	Internal Audit strives to exceed customer expectations as well as professional responsibilities inherent in conforming to the Institute of Internal Auditors Standards. Internal Audit will review its activities and look to "build in" quality with its activities and to foster continuous improvement in operations.
Peer Review (Quality Assessment)	Internal Audit	Per the Institute of Internal Auditors Standards (IIA), Internal Audit must obtain an external assessment (e.g. peer review) that is conducted by an independent and external person or party. Internal Audit will have an external assessment from an independent, qualified person and/or party to evaluate Internal Audit's conformance with the IIA Standards and Code of Ethics.
Professional Development	Internal Audit	Internal Audit standards require staff performing work under the standards maintain professional competency through Continued Professional Education (CPE). Staff holding professional certifications are required to obtain an average of 40 CPE hours per year to maintain their certification status.

## Long Term Audit Topic Priorities (Calendar Years 2025 and beyond)

<ul style="list-style-type: none"> <li>Active Shooter</li> <li>Budget Process</li> <li>Business Process Evaluations</li> <li>Career &amp; Technical Education</li> <li>Cash Receipts</li> <li>Collective Bargaining</li> <li>Communications</li> <li>Community Use</li> <li>Conflict of Interest</li> <li>Culture</li> <li>Curriculum Development</li> <li>Data Privacy</li> <li>Debt Services</li> <li>Employee Evaluation Process</li> <li>Employee Separation Process</li> <li>Equity and Employee Relations</li> <li>Facilities Operations</li> <li>Financial Controls</li> <li>FOIA</li> <li>Food and Nutrition Services</li> <li>Garage Operations</li> </ul>	<ul style="list-style-type: none"> <li>Gate Receipts</li> <li>Grant Relief Funds</li> <li>Group based Privileged</li> <li>Healthcare Benefits</li> <li>Impact to Pathway to 2040 Comprehensive Plan</li> <li>IT Acquisitions and Management</li> <li>IT Disaster Recovery/Backup</li> <li>IT Governance</li> <li>Leadership Development</li> <li>Leasing of Buildings</li> <li>Leave Procedures</li> <li>Mental Health Issues of Students</li> <li>Office of Civil Rights Reporting</li> <li>Organizational Governance</li> <li>Overtime Use</li> <li>Payroll Operations</li> <li>Pension Liability/Retirement Benefits</li> <li>Policy and Regulation Management</li> <li>Political Topics in classrooms</li> <li>Project Management (Division-wide)</li> <li>Purchase Cards</li> <li>Research, Accountability, &amp; Strategic Planning</li> </ul>	<ul style="list-style-type: none"> <li>Retaliation</li> <li>Risk Management</li> <li>School Age Child Care (SACC)</li> <li>School and Office Security/Shooting preparation</li> <li>School Construction Activities</li> <li>School Operations</li> <li>School Support Organizations</li> <li>Short/Long Term Disability</li> <li>Specialty Programs</li> <li>Stipends</li> <li>Student Attendance</li> <li>Student Cell Phone Usage</li> <li>Succession Planning</li> <li>Summer School</li> <li>Supply Services &amp; Supply Chain Disruption</li> <li>Talent Acquisition/Retention</li> <li>Telework</li> <li>Textbook Inventory</li> <li>Travel: Local and Non-local</li> <li>Unrecorded Receivables (Non-Resident Tuition)</li> <li>Vendor Management (Purchasing)</li> <li>Warehouse Inventory</li> </ul>
---	--	--