



State of Hawaii

Department of Education

Re-Assessment of Risk Assessment and Internal Audit Plan
January 1, 2013 – December 31, 2015

Subject to approval by the Board of Education at the
February 5, 2013 Audit Committee Meeting

*This report is prepared solely for the internal use of the Board
of Education and management of the State of Hawaii,
Department of Education.*



Table of Contents

	<u>Page</u>
■ Executive Summary	3
■ Introduction & Overview	6
■ Summary of Changes to Auditable Areas and Audit Plan	18
■ Proposed Updated Internal Audit Plan	21
■ Proposed Updated Internal Audit Plan Schedule	36



EXECUTIVE SUMMARY



Executive Summary

This report presents the results of the Internal Audit Office's ("IA") efforts to perform an update to the Risk Assessment and Audit Plan (the "Re-Assessment") for the State of Hawaii, Department of Education. The proposed updated Internal Audit Plan ("Audit Plan") covers the periods January 1, 2013 through December 31, 2015. The development and execution of this Audit Plan is important in meeting the mission of the Internal Audit Office – *"to provide independent and objective internal audit assurance and consulting services designed to add value and improve the internal control structures and operations of the Department of Education ("DOE")."*

Professional standards developed by the Institute of Internal Auditors ("IIA") require that the Audit Plan be developed based on an assessment of risk. The Re-Assessment is a subjective process used to identify and evaluate various risks, internal and external, that could impact the achievement of the DOE's goals and strategies. As the Audit Plan continuously evolves due to new circumstances or events which occur throughout the year, a re-assessment of the Audit Plan must be performed.

Internal Auditing is a valuable resource to an organization's executive management, governing bodies (audit committees), and other stakeholders in helping them achieve their business and operational goals and objectives, as well as strengthening internal controls and governance. All risk assessments identify a group of high risks, as risk is constantly evolving; however, knowing the areas to audit and where to commit resources is key to the success of IA.

The Audit Plan was developed based on the results of the Re-Assessment, which included general high level interviews with members of management and the Board of Education ("BOE"), our knowledge of the DOE's business risks, an evaluation of the results from projects completed during the past year, the current education system and regulatory environment, and an evaluation of the current internal control environment at the time of our analysis. IA assessed risk factors during the risk evaluation phase of the Re-Assessment and Audit Plan development process. A brief discussion of the Re-Assessment and Audit Plan development process is provided in the Introduction & Overview section of this report.



Executive Summary

As a result of the Re-Assessment, 33 auditable areas for the DOE were deemed *high* risk. While these “high” risk areas would justify a significant Internal Audit effort, current resources available to address these risks are limited. Therefore, IA is proposing *7 projects in 2013 (Year 2)*, *8 projects in 2014 (Year 3)*, and *8 projects in 2015 (Year 4)*, which are also presented on the following pages. During 2012 (Year 1) of the Audit Plan, IA worked on all 4 projects listed in the initial Audit Plan. The table below summarizes the hours of the Audit Plan from Year 1 to Year 4. As risks to the DOE change over time and as additional resources become available, management and the Audit Committee are encouraged to re-evaluate the Audit Plan periodically.

Proposed Internal Audit Activity Hours

	Year 1	Year 1	Year 2	Year 3	Year 4
	2012 (Est.)	2012 (Act.)	2013	2014	2015
Assurance	2,700	2,017	3,750	3,850	4,050
IA Consulting & Monitoring	700	1,219	1,600	1,400	1,400
Investigations & Other	<u>4,150</u>	<u>4,203</u>	<u>4,050</u>	<u>3,750</u>	<u>4,100</u>
Total	<u>7,550</u>	<u>7,439</u>	<u>9,400</u>	<u>9,000</u>	<u>9,550</u>



INTRODUCTION & OVERVIEW



Introduction & Overview

The purpose of this report is to present the results of IA's efforts to perform an update to the Risk Assessment to assist with the development of an updated Audit Plan for the DOE. The Re-Assessment re-evaluates the identification and analysis (typically in terms of impact and likelihood) of relevant risks to the achievement of DOE's goals, strategies, and objectives, forming the basis for determining how those risks should be managed.

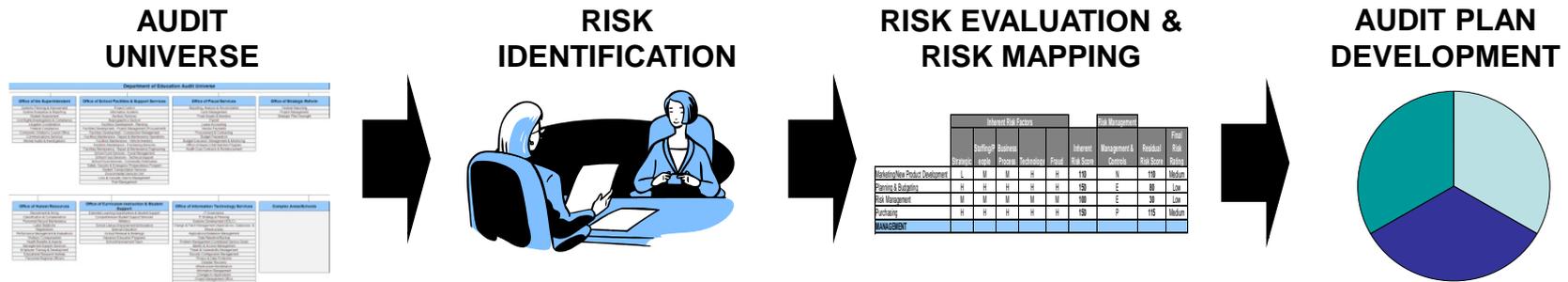
This Re-Assessment and resulting Audit Plan has been developed to ensure that the DOE has sufficient and continuous internal audit coverage of those areas judged as having a relatively higher risk profile or that otherwise require internal audit attention for management or regulatory reasons. For purposes of this Re-Assessment the term "internal audit" will refer collectively to traditional internal audits of financial and operational areas along with compliance and information technology-related reviews.

As previously mentioned, the Re-Assessment and Audit Plan was developed based on interviews with management; members of the BOE; review of the current industry environment; an evaluation of completed projects during the past year; knowledge of the DOE's business risks; and a high-level evaluation of the current internal control environment at the time of our review. IA ranked risks based on several risk factors identified during the Risk Evaluation, which included an evaluation of the various auditable areas and their impact on the DOE's goals and objectives. A summary of changes to the auditable areas from the previously approved Risk Assessment is presented on page 19.

A Re-Assessment will be performed on an on-going (at least annually) basis to ensure continual monitoring of changing risk factors, financial and operational changes, or management turnover.

Introduction & Overview – Risk Assessment & Audit Plan Re-evaluation Process

Our re-evaluation process begins with the results of last year’s Risk Assessment. Risks are re-evaluated given changes to the DOE’s external and internal environments as well as the results of audits conducted in the 2012 Audit Plan. The following is a summary of our re-evaluation process:



Understand changes to the DOE’s Audit Universe

- Identified new and/or changes to the DOE’s auditable areas
- Validated that the population is current and well defined, appropriate, current and complete

Update Key Risks, Concerns & Issues

- Analyzed changes in education industry & current internal & external environments
- Identified new and emerging risks relevant to DOE
- Worked with Senior Management, and Board of Education, to update understanding of the DOE’s key risks

Prioritize Key Risks, Concerns & Issues Identified

- Re-assessed inherent and residual risk factors to develop composite risk score
- Re-ranked each auditable area by risk score
- Select high-risk/high-importance auditable areas

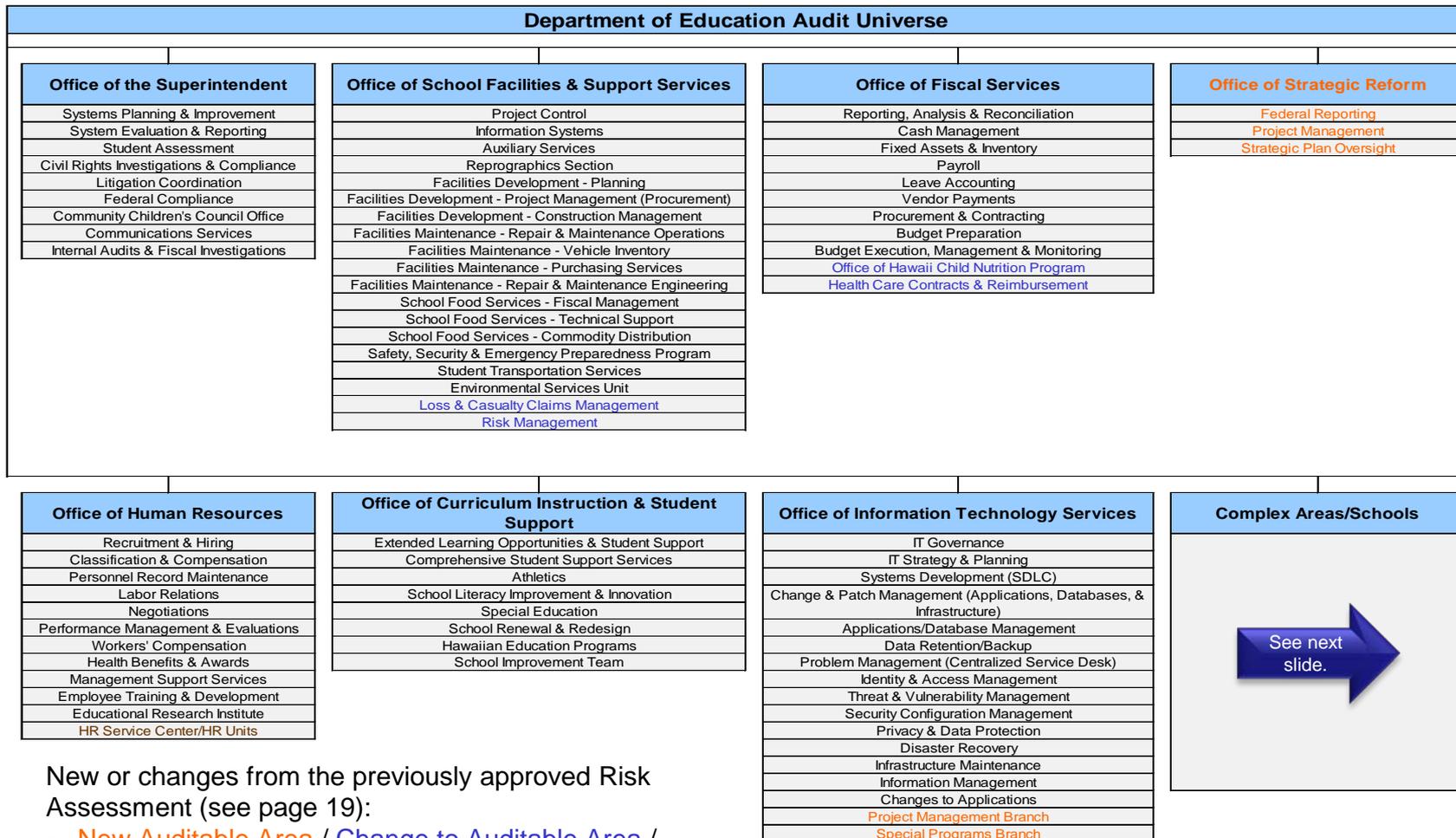
Create Responsive Internal Audit Plan

- Re-focused the Audit Plan on the key control processes
- Developed a balanced Internal Audit project plan comprised of financial, operational and compliance audits, and where applicable special projects
- Ensured audit coverage of significant risk areas



Introduction & Overview – Audit Universe

For the update to the Audit Universe, IA identified new and/or changes to the key **auditable areas**. In addition, IA validated that the population of **auditable areas** were well defined, appropriate, current, and complete. This validation was accomplished based primarily on interviews with key management personnel. The Audit Universe for the **DOE State Office** is detailed below and the **Complex Areas/Schools auditable areas** are detailed on the following page.



New or changes from the previously approved Risk Assessment (see page 19):

- **New Auditable Area** / **Change to Auditable Area** / **Auditable Area to be Removed**



Introduction & Overview – Audit Universe

The Complex Areas/Schools auditable areas are detailed below:

Department of Education Audit Universe			
Office of the Superintendent Systems Planning & Improvement System Evaluation & Reporting Student Assessment Civil Rights Investigations & Compliance Litigation Coordination Federal Compliance Community Children's Council Office Communications Services Internal Audits & Fiscal Investigations	Office of School Facilities & Support Services Project Control Information Systems Auxiliary Services Repercussions Section Facilities Development - Planning Facilities Development - Project Management (Procurement) Facilities Development - Construction Management Facilities Maintenance - Repair & Maintenance Operations Facilities Maintenance - Vehicle Inventory Facilities Maintenance - Purchasing Services Facilities Maintenance - Repair & Maintenance Engineering School Food Services - Fiscal Management School Food Services - Technical Support School Food Services - Commodity Distribution Safety, Security & Emergency Preparedness Program Student Transportation Services Environmental Services Unit Loss & Casualty Claims Management Risk Management	Office of Fiscal Services Reporting, Analysis & Reconciliation Cash Management Fixed Assets & Inventory Payroll Leave Accounting Vendor Payments Procurement & Contracting Budget Preparation Budget Execution, Management & Monitoring Office of Hawaii Child Nutrition Program Health Care Contracts & Reimbursement	Office of Strategic Reform Federal Reporting Project Management Strategic Plan Oversight
Office of Human Resources Recruitment & Hiring Classification & Compensation Personnel Record Maintenance Labor Relations Negotiations Performance Management & Evaluations Workers' Compensation Health Benefits & Awards Management Support Services Employee Training & Development Educational Research Institute HR Service Center/HR Units	Office of Curriculum Instruction & Student Support Extended Learning Opportunities & Student Support Comprehensive Student Support Services Athletics School Literacy Improvement & Innovation Special Education School Renewal & Redesign Hawaiian Education Programs School Improvement Team	Office of Information Technology Services IT Governance IT Strategy & Planning Systems Development (SDLC) Change & Patch Management (Applications, Databases, & Infrastructure) Applications/Database Management Data Retention/Backup Problem Management (Centralized Service Desk) Identity & Access Management Threat & Vulnerability Management Security Configuration Management Privacy & Data Protection Disaster Recovery Infrastructure Maintenance Information Management Changes to Applications Project Management Branch Special Programs Branch	Complex Areas/Schools

Complex Areas/Schools
Casual Hire & Casual Substitute
Leave Accounting
Safety, Security & Emergency Preparedness Program
School Inspections
School Level External Communications
Procurement
Budget Academic & Fin Planning & Compl ACFIN
Inventory
Student Instruction
Special Education, ELL & 504
Homeless Concerns
Cafeteria
Registrar
Groundskeeping, Custodial Services
IT Coordination
School Health Aide
After School Programs
Athletics
Training & Development



Introduction & Overview – Risk Evaluation

After calculating and updating the risk score for each auditable area, IA ranked them into high (red), medium (yellow) or low (green) risk areas. The Audit Universe for the DOE State Office has been color coded below to reflect the ranking of risks.

Department of Education Audit Universe																																																	
<table border="1"> <thead> <tr> <th>Office of the Superintendent</th> </tr> </thead> <tbody> <tr><td>Federal Compliance</td></tr> <tr><td>Student Assessment</td></tr> <tr><td>Civil Rights Investigations & Compliance</td></tr> <tr><td>Communications Services</td></tr> <tr><td>Community Children's Council Office</td></tr> <tr><td>Internal Audits & Fiscal Investigations</td></tr> <tr><td>Litigation Coordination</td></tr> <tr><td>System Evaluation & Reporting</td></tr> <tr><td>Systems Planning & Improvement</td></tr> </tbody> </table>	Office of the Superintendent	Federal Compliance	Student Assessment	Civil Rights Investigations & Compliance	Communications Services	Community Children's Council Office	Internal Audits & Fiscal Investigations	Litigation Coordination	System Evaluation & Reporting	Systems Planning & Improvement	<table border="1"> <thead> <tr> <th>Office of School Facilities & Support Services</th> </tr> </thead> <tbody> <tr><td>Facilities Development - Construction Management</td></tr> <tr><td>Facilities Development - Planning</td></tr> <tr><td>Facilities Development - Project Management (Procurement)</td></tr> <tr><td>Facilities Maintenance - Repair & Maintenance Operations</td></tr> <tr><td>School Food Services - Fiscal Management</td></tr> <tr><td>Student Transportation Services</td></tr> <tr><td>Project Control</td></tr> <tr><td>Safety, Security & Emergency Preparedness Program</td></tr> <tr><td>School Food Services - Commodity Distribution</td></tr> <tr><td>Auxiliary Services</td></tr> <tr><td>Environmental Services Unit</td></tr> <tr><td>Facilities Maintenance - Purchasing Services</td></tr> <tr><td>Facilities Maintenance - Repair & Maintenance Engineering</td></tr> <tr><td>Facilities Maintenance - Vehicle Inventory</td></tr> <tr><td>Information Systems</td></tr> <tr><td>Loss & Casualty Claims Management</td></tr> <tr><td>Reprographics Section</td></tr> <tr><td>Risk Management</td></tr> <tr><td>School Food Services - Technical Support</td></tr> </tbody> </table>	Office of School Facilities & Support Services	Facilities Development - Construction Management	Facilities Development - Planning	Facilities Development - Project Management (Procurement)	Facilities Maintenance - Repair & Maintenance Operations	School Food Services - Fiscal Management	Student Transportation Services	Project Control	Safety, Security & Emergency Preparedness Program	School Food Services - Commodity Distribution	Auxiliary Services	Environmental Services Unit	Facilities Maintenance - Purchasing Services	Facilities Maintenance - Repair & Maintenance Engineering	Facilities Maintenance - Vehicle Inventory	Information Systems	Loss & Casualty Claims Management	Reprographics Section	Risk Management	School Food Services - Technical Support	<table border="1"> <thead> <tr> <th>Office of Fiscal Services</th> </tr> </thead> <tbody> <tr><td>Fixed Assets & Inventory</td></tr> <tr><td>Leave Accounting</td></tr> <tr><td>Payroll</td></tr> <tr><td>Procurement & Contracting</td></tr> <tr><td>Budget Execution, Management & Monitoring</td></tr> <tr><td>Budget Preparation</td></tr> <tr><td>Reporting, Analysis & Reconciliation</td></tr> <tr><td>Vendor Payments</td></tr> <tr><td>Cash Management</td></tr> <tr><td>Health Care Contracts & Reimbursement</td></tr> <tr><td>Office of Hawaii Child Nutrition Programs</td></tr> </tbody> </table>	Office of Fiscal Services	Fixed Assets & Inventory	Leave Accounting	Payroll	Procurement & Contracting	Budget Execution, Management & Monitoring	Budget Preparation	Reporting, Analysis & Reconciliation	Vendor Payments	Cash Management	Health Care Contracts & Reimbursement	Office of Hawaii Child Nutrition Programs	<table border="1"> <thead> <tr> <th>Office of Strategic Reform</th> </tr> </thead> <tbody> <tr><td>Project Management</td></tr> <tr><td>Federal Reporting</td></tr> <tr><td>Strategic Plan Oversight</td></tr> </tbody> </table>	Office of Strategic Reform	Project Management	Federal Reporting	Strategic Plan Oversight
Office of the Superintendent																																																	
Federal Compliance																																																	
Student Assessment																																																	
Civil Rights Investigations & Compliance																																																	
Communications Services																																																	
Community Children's Council Office																																																	
Internal Audits & Fiscal Investigations																																																	
Litigation Coordination																																																	
System Evaluation & Reporting																																																	
Systems Planning & Improvement																																																	
Office of School Facilities & Support Services																																																	
Facilities Development - Construction Management																																																	
Facilities Development - Planning																																																	
Facilities Development - Project Management (Procurement)																																																	
Facilities Maintenance - Repair & Maintenance Operations																																																	
School Food Services - Fiscal Management																																																	
Student Transportation Services																																																	
Project Control																																																	
Safety, Security & Emergency Preparedness Program																																																	
School Food Services - Commodity Distribution																																																	
Auxiliary Services																																																	
Environmental Services Unit																																																	
Facilities Maintenance - Purchasing Services																																																	
Facilities Maintenance - Repair & Maintenance Engineering																																																	
Facilities Maintenance - Vehicle Inventory																																																	
Information Systems																																																	
Loss & Casualty Claims Management																																																	
Reprographics Section																																																	
Risk Management																																																	
School Food Services - Technical Support																																																	
Office of Fiscal Services																																																	
Fixed Assets & Inventory																																																	
Leave Accounting																																																	
Payroll																																																	
Procurement & Contracting																																																	
Budget Execution, Management & Monitoring																																																	
Budget Preparation																																																	
Reporting, Analysis & Reconciliation																																																	
Vendor Payments																																																	
Cash Management																																																	
Health Care Contracts & Reimbursement																																																	
Office of Hawaii Child Nutrition Programs																																																	
Office of Strategic Reform																																																	
Project Management																																																	
Federal Reporting																																																	
Strategic Plan Oversight																																																	
<table border="1"> <thead> <tr> <th>Office of Human Resources</th> </tr> </thead> <tbody> <tr><td>Performance Management & Evaluations</td></tr> <tr><td>Recruitment & Hiring</td></tr> <tr><td>Classification & Compensation</td></tr> <tr><td>Employee Training & Development</td></tr> <tr><td>Labor Relations</td></tr> <tr><td>Negotiations</td></tr> <tr><td>Workers' Compensation</td></tr> <tr><td>Educational Research Institute</td></tr> <tr><td>Health Benefits & Awards</td></tr> <tr><td>Management Support Services</td></tr> <tr><td>Personnel Record Maintenance</td></tr> <tr><td>HR Service Center/HR Units*</td></tr> </tbody> </table>	Office of Human Resources	Performance Management & Evaluations	Recruitment & Hiring	Classification & Compensation	Employee Training & Development	Labor Relations	Negotiations	Workers' Compensation	Educational Research Institute	Health Benefits & Awards	Management Support Services	Personnel Record Maintenance	HR Service Center/HR Units*	<table border="1"> <thead> <tr> <th>Office of Curriculum Instruction & Student Support</th> </tr> </thead> <tbody> <tr><td>Extended Learning Opportunities & Student Support</td></tr> <tr><td>School Literacy Improvement & Innovation</td></tr> <tr><td>Special Education</td></tr> <tr><td>Comprehensive Student Support Services</td></tr> <tr><td>Hawaiian Education Programs</td></tr> <tr><td>Athletics</td></tr> <tr><td>School Improvement Team</td></tr> <tr><td>School Renewal & Redesign</td></tr> </tbody> </table>	Office of Curriculum Instruction & Student Support	Extended Learning Opportunities & Student Support	School Literacy Improvement & Innovation	Special Education	Comprehensive Student Support Services	Hawaiian Education Programs	Athletics	School Improvement Team	School Renewal & Redesign	<table border="1"> <thead> <tr> <th>Office of Information Technology Services</th> </tr> </thead> <tbody> <tr><td>Disaster Recovery</td></tr> <tr><td>Identity & Access Management</td></tr> <tr><td>Information Management</td></tr> <tr><td>Infrastructure Maintenance</td></tr> <tr><td>IT Strategy & Planning</td></tr> <tr><td>Privacy & Data Protection</td></tr> <tr><td>Systems Development (SDLC)</td></tr> <tr><td>Data Retention/Backup</td></tr> <tr><td>Problem Management (Centralized Service Desk)</td></tr> <tr><td>Project Management Branch</td></tr> <tr><td>Security Configuration Management</td></tr> <tr><td>Threat & Vulnerability Management</td></tr> <tr><td>Applications/Database Management</td></tr> <tr><td>Change & Patch Management (Applications, Databases, & Infrastructure)</td></tr> <tr><td>Changes to Applications</td></tr> <tr><td>IT Governance</td></tr> <tr><td>Special Programs Branch</td></tr> </tbody> </table>	Office of Information Technology Services	Disaster Recovery	Identity & Access Management	Information Management	Infrastructure Maintenance	IT Strategy & Planning	Privacy & Data Protection	Systems Development (SDLC)	Data Retention/Backup	Problem Management (Centralized Service Desk)	Project Management Branch	Security Configuration Management	Threat & Vulnerability Management	Applications/Database Management	Change & Patch Management (Applications, Databases, & Infrastructure)	Changes to Applications	IT Governance	Special Programs Branch	<table border="1"> <thead> <tr> <th>Complex Areas/Schools</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"> </td> </tr> </tbody> </table>	Complex Areas/Schools					
Office of Human Resources																																																	
Performance Management & Evaluations																																																	
Recruitment & Hiring																																																	
Classification & Compensation																																																	
Employee Training & Development																																																	
Labor Relations																																																	
Negotiations																																																	
Workers' Compensation																																																	
Educational Research Institute																																																	
Health Benefits & Awards																																																	
Management Support Services																																																	
Personnel Record Maintenance																																																	
HR Service Center/HR Units*																																																	
Office of Curriculum Instruction & Student Support																																																	
Extended Learning Opportunities & Student Support																																																	
School Literacy Improvement & Innovation																																																	
Special Education																																																	
Comprehensive Student Support Services																																																	
Hawaiian Education Programs																																																	
Athletics																																																	
School Improvement Team																																																	
School Renewal & Redesign																																																	
Office of Information Technology Services																																																	
Disaster Recovery																																																	
Identity & Access Management																																																	
Information Management																																																	
Infrastructure Maintenance																																																	
IT Strategy & Planning																																																	
Privacy & Data Protection																																																	
Systems Development (SDLC)																																																	
Data Retention/Backup																																																	
Problem Management (Centralized Service Desk)																																																	
Project Management Branch																																																	
Security Configuration Management																																																	
Threat & Vulnerability Management																																																	
Applications/Database Management																																																	
Change & Patch Management (Applications, Databases, & Infrastructure)																																																	
Changes to Applications																																																	
IT Governance																																																	
Special Programs Branch																																																	
Complex Areas/Schools																																																	

* Auditable area to be removed from the Audit Universe



Introduction & Overview – Risk Evaluation

The following tables represent the risk ratings by office for the **DOE** – 33 auditable areas are considered *high* risk; 25 areas at the **DOE State Office** and 8 at the **Complex Areas/Schools**. We have also indicated risk ratings that have changed since the previous Risk Assessment,

↑ indicating increase in risk rating and ↓ indicating a decrease in risk rating.

Office	Auditable Areas	2012 Final Risk Rating	2013 Final Risk Rating
OS	Federal Compliance	High	High
OS	Student Assessment	High	High
OSFSS	Facilities Development - Construction Management	High	High
OSFSS	Facilities Development - Planning	High	High
OSFSS	Facilities Development - Project Management (Procurement)	High	High
OSFSS	Facilities Maintenance - Repair & Maintenance Operations	High	High
OSFSS	School Food Services - Fiscal Management	High	High
OSFSS	Student Transportation Services	High	High
OFS	Fixed Assets & Inventory	High	High
OFS	Leave Accounting	High	High
OFS	Payroll	Medium	High
OFS	Procurement & Contracting	High	High
OHR	Performance Management & Evaluations	Medium	High
OHR	Recruitment & Hiring	High	High
OCISS	Extended Learning Opp & Student Support	High	High
OCISS	School Literacy Improvement & Innovation	High	High
OCISS	Special Education	High	High
OITS	Disaster Recovery	High	High
OITS	Identity & Access Management	High	High
OITS	Information Management	High	High
OITS	Infrastructure Maintenance	High	High
OITS	IT Strategy & Planning	Medium	High
OITS	Privacy and Data Protection	High	High
OITS	Systems Development (SDLC)	High	High
OSR	Project Management (New)	N/A	High

↑

↑

↑



Introduction & Overview – Risk Evaluation

The following table represents the remaining risk ratings for the **DOE State Office**. 20 auditable areas are considered *medium* risk.

Office	Auditable Areas	2012 Final Risk Rating	2013 Final Risk Rating
OSFSS	Project Control	Medium	Medium
OSFSS	Safety, Security & Emergency Preparedness Program	Medium	Medium
OSFSS	School Food Services - Commodity Distribution	Medium	Medium
OFS	Budget Execution, Management & Monitoring	Medium	Medium
OFS	Budget Preparation	Medium	Medium
OFS	Reporting, Analysis & Reconciliation	Medium	Medium
OFS	Vendor Payments	Medium	Medium
OHR	Classification & Compensation	Medium	Medium
OHR	Employee Training & Development	Medium	Medium
OHR	Labor Relations	Medium	Medium
OHR	Negotiations	Medium	Medium
OHR	Workers' Compensation	Medium	Medium
OCISS	Comprehensive Student Support Services	Medium	Medium
OCISS	Hawaiian Education Programs	Medium	Medium
OITS	Data Retention/Backup	Medium	Medium
OITS	Problem Management (Centralized Service Desk)	Medium	Medium
OITS	Project Management Branch (New)	N/A	Medium
OITS	Security Configuration Management	Medium	Medium
OITS	Threat & Vulnerability Management	Medium	Medium
OSR	Federal Reporting (New)	N/A	Medium



Introduction & Overview – Risk Evaluation

The following table represents the remaining risk ratings for the **DOE State Office**. 33 auditable areas are considered *low* risk.

Office	Auditable Areas	2012 Final Risk Rating	2013 Final Risk Rating
OS	Civil Rights Investigations & Compliance	Low	Low
OS	Communications Services	Low	Low
OS	Community Children's Council Office	Low	Low
OS	Internal Audits & Fiscal Investigations	Low	Low
OS	Litigation Coordination	Low	Low
OS	System Evaluation & Reporting	Low	Low
OS	Systems Planning & Improvement	Medium	Low
OSFSS	Auxiliary Services	Low	Low
OSFSS	Environmental Services Unit	Low	Low
OSFSS	Facilities Maintenance - Purchasing Services	Low	Low
OSFSS	Facilities Maintenance - Repair & Maintenance Engineering	Low	Low
OSFSS	Facilities Maintenance - Vehicle Inventory	Low	Low
OSFSS	Information Systems	Low	Low
OSFSS	Loss & Casualty Claims Management	Low	Low
OSFSS	Reprographics Section	Low	Low
OSFSS	Risk Management	Low	Low
OSFSS	School Food Services - Technical Support	Low	Low
OFS	Cash Management	Low	Low
OFS	Health Care Contracts & Reimbursement	Low	Low
OFS	Office of Hawaii Child Nutrition Programs	Low	Low
OHR	Educational Research Institute	Low	Low
OHR	Health Benefits & Awards	Low	Low
OHR	Management Support Services	Low	Low
OHR	Personnel Record Maintenance	Low	Low
OHR	HR Service Center/HR Units (To be Removed)	High	N/A
OCISS	Athletics	Low	Low
OCISS	School Improvement Team	Low	Low
OCISS	School Renewal & Redesign	Low	Low
OITS	Applications/Database Management	Low	Low
OITS	Change & Patch Management (App, Databases, & Infrast)	Low	Low
OITS	Changes to Applications	Low	Low
OITS	IT Governance	Low	Low
OITS	Special Programs Branch (New)	N/A	Low
OSR	Strategic Plan Oversight (New)	N/A	Low





Introduction & Overview – Risk Evaluation

The scoring and risk ranking methodology used for **DOE State Office** was also applied to **Complex Areas/Schools** to determine a final risk score and rating for each auditable area.

The following table represents the final risk rankings for the auditable areas at the **Complex Areas/Schools**.

Auditable Areas	2012 Final Risk Rating	2013 Final Risk Rating
Cafeteria	Medium	High
Casual Hire & Casual Substitute	High	High
Inventory	High	High
IT Coordination	High	High
Leave Accounting	High	High
Procurement	High	High
Special Education, ELL & 504	High	High
Student Instruction	High	High
Homeless Concerns	Medium	Medium
Training & Development	Medium	Medium
After School Programs	Low	Low
Athletics	Low	Low
Budget Academic & Fin Planning & Compl AC	Low	Low
Groundskeeping, Custodial Services	Low	Low
Registrar	Low	Low
Safety, Security & Emergency Preparedness P	Low	Low
School Health Aide	Low	Low
School Inspections	Low	Low
School Level External Communications	Low	Low





Introduction & Overview – Audit Plan Development

The updated Audit Plan is focused primarily on evaluating and testing key control processes mitigating the “High” Auditable Areas and highly significant and likely risks impacting the DOE. The Audit Plan includes the following types of projects:

- **Assurance Projects:** *Established processes* are in place and will be evaluated for design and operating effectiveness. In executing the projects IA’s methodology will require the performance of a project level risk assessment, during which time significant and other additional relevant risks are evaluated and more detailed controls are identified to be considered for inclusion in the project scope.
- **Consulting & Monitoring Projects:** The nature and scope of such projects are agreed upon with the client and are intended to add value and improve operations *from a risk perspective*. Examples include counsel, advice, facilitation and training. This also includes monitoring projects such as Special Project – Cancelled Check Reviews and Annual Checklist Monitoring. Consulting and monitoring projects shall not in any circumstance impair IA’s independence.



Introduction & Overview – Audit Plan Development

Based on the risk scores and risk ratings, IA identified 32 projects (both **assurance** and **consulting & monitoring**) that focus on addressing the high risks and specific concerns raised within the DOE. Some projects may cover multiple high risk areas. During **year 1** of the Audit Plan, IA worked on 9 (**4 assurance** and **5 consulting & monitoring**) of the 32 projects identified as high risk or for which there were specific concerns. The Re-Assessment of the Audit Plan will include the remaining **23 assurance projects** along with **5 consulting & monitoring projects**.

In addition, certain auditable areas do not currently have mature processes in place and as a result, IA chose not to include these areas within the Audit Plan at this time. IA will continue to monitor these areas and bring these risks to the attention of the Audit Committee at the quarterly Audit Committee presentations. These projects will be monitored by IA and can be added to the Audit Plan should additional resources become available or at the request of the Audit Committee.

Internal Audit Projects

Operational Review of the English Language Learner Programs	Operational Review of the Special Education Section
eHR Post-Implementation Review	Student Assessment Administration Review - Phase II
Equipment and Fleet Maintenance Review	Capital Construction Oversight and Management Implementation Follow-Up
Payroll Review	Change and Patch Management Review
Information Technology Privacy Review	Program Design and Management Review
Student Assessment Administration Review - Phase I	Disaster Recovery Review
Leave Accounting Follow-Up Review	Use of Facilities Review
Post-RTTT Project Management Review	ACL Audit Tool Development (2012 & 2013)
Governance & Ethics Review	Fraud & Ethics Hotline – Confidential Reporting Mechanism (Annual)
Network Infrastructure Review	Internal Control & Operational Efficiency Consulting Projects (Annual)
Federal Compliance Review	Investigations (Annual)
Fixed Assets Management Review	Baseline Assurance & Monitoring Projects (Annual)
P20 Longitudinal Data System - Post-Implementation Review	Procurement & Contracting Process Review (2012)
Student Transportation Services Implementation Follow-Up	Casual Hire Personnel Recruitment, Hiring & Payroll Processes Review (2012)
Performance Evaluations Post-Implementation Review	School Food Services Review (2012)
Data Access Controls Review	Data Integrity Review – Student Enrollment (2012)



SUMMARY OF CHANGES TO AUDITABLE AREAS AND AUDIT PLAN



Summary of Changes to Auditable Areas

As a result of the re-evaluation process, the following changes were noted to the original auditable areas, with brief descriptions for the changes.

Auditable Areas	Office	Changes
New Auditable Areas		
Project Management	OSR	Addition to the Office of Strategic Reform, formerly known as Special Programs Management in the Office of Curriculum Instruction & Student Support
Federal Reporting	OSR	Addition to the Office of Strategic Reform
Strategic Plan Oversight	OSR	Addition to the Office of Strategic Reform
Project Management Branch	OITS	Addition to the Office of Information Technology Services
Special Programs Branch	OITS	Addition to the Office of Information Technology Services
Office/Name Changes to Auditable Areas		
Loss & Casualty Claims Management	OSFSS	Moved from the Office of Fiscal Services
Risk Management	OSFSS	Moved from the Office of Fiscal Services
Health Care Contracts & Reimbursements	OFS	Moved from the Office of the Superintendent
Office of Hawaii Child Nutrition Programs	OFS	Moved from the Office of the Superintendent
Auditable Area to be Removed		
HR Service Center/HR Units	OHR	Removed from Audit Plan as service center/units were not implemented by OHR
Changes to Risk Rating		
Payroll	OFS	Increased from "Medium" to "High" Risk
Performance Management & Evaluations	OHR	Increased from "Medium" to "High" Risk
IT Strategy & Planning	OITS	Increased from "Medium" to "High" Risk
Cafeteria	Schools	Increased from "Medium" to "High" Risk
Systems Planning & Improvement	OS	Decreased from "Medium" to "Low" Risk as a result of the Office of Strategic Reform overseeing Race to the Top

Note: Office of Strategic Reform is a new office created in 2012.



Summary of Changes to the Audit Plan

As a result of the re-evaluation process, the following changes are being proposed to the originally approved Audit Plan, with brief descriptions for the changes.

Project	Timing	Est. Hrs.	Proposed Change
New Projects			
Payroll Review	Q2 2013	600	Addition to Q2 2013
Performance Evaluations Post-Implementation Review	Q4 2014	350	Addition to Q4 2014
Use of Facilities Review	Q4 2015	500	Addition to Q4 2015
Proposed Changes to Projects			
Operational Review of the English Language Learner Programs	Q1 2013	450	Moved from Q2 2014
Network Infrastructure Review	Q2 2014	450	Moved from Q3 2015
Federal Compliance Review	Q2 2014	400	Moved from Q2 2013
Operational Review of the Special Education Section	Q1 2015	400	Moved from Q4 2015
Program Design and Management Review	Q3 2015	400	Moved from Q1 2015
Post-RTTT Project Management Review	Q1 2014	400	Changed focus of the project to post review
Student Transportation Services Implementation Follow-up	Q4 2014	400	Changed focus of the project to implementation follow-up and decreased budgeted hours from 600 to 400
Capital Construction Oversight and Management Implementation Follow-Up	Q2 2015	500	Changed focus of the project to implementation follow-up.
HR Service Center/HR Units Review	N/A	N/A	Removed from Audit Plan as service center/units were not implemented by OHR



PROPOSED UPDATED INTERNAL AUDIT PLAN



Internal Audit Plan

The following represents the detailed Internal Audit Plan which covers the period January 1, 2013 through December 31, 2013 (Year 2).

Internal Audit Plan Period: January 1, 2013 through December 31, 2013 – Year 2

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
<p>Operational Review of the English Language Learner Programs Review of the adequacy of the design of internal controls and business processes over the development, implementation, monitoring, and reporting processes for the DOE's English Language Learner programs that help to ensure compliance with Federal and State laws and regulations. This review will not be an in-depth compliance review, but rather will focus on assessing the efficiency and effectiveness of control and process design.</p> <p>PRIMARY FOCUS: Operational</p>	<p>OCISS <i>School Literacy Improvement & Innovation</i></p>	<p>Efficiency Risk Authority/Limit Risk Communication Risk Alignment Risk</p>	Q1 2013	450
<p>eHR Post-Implementation Review Evaluate the effectiveness of the eHR online system application processing module or other recently implemented modules to ensure that the intended objectives of implementing the system were met. Evaluate the design and operating effectiveness of procedures and controls over input, processing, and output to ensure: (1) information captured is complete and accurate and (2) information generated is accurate, reliable, and timely.</p> <p>PRIMARY FOCUS: Information Technology</p>	<p>OHR <i>Recruitment & Hiring</i></p>	<p>Integrity Risk Access Risk Security Risk Cycle Time Risk</p>	Q1 2013	300
<p>Equipment and Fleet Maintenance Review Evaluate the Department's records of regular preventive maintenance and repairs to vehicles and high value equipment. Review the adequacy of the current Equipment and Fleet Management policies and processes as they relate to the tracking mechanism established for monitoring equipment and vehicle performance and determine if services have been completed in the most cost-effective and efficient manner. Where applicable, this review will follow-up on the results of previous report findings and studies.</p> <p>PRIMARY FOCUS: Operational/Financial</p>	<p>OSFSS <i>Repair & Maintenance Operations</i></p>	<p>Budget & Planning Risk Efficiency Risk Performance Gap Risk Alignment Risk</p>	Q2 2013	400



Internal Audit Plan

Internal Audit Plan: Year 2 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
Payroll Review				
Review, evaluate and test the design and operating effectiveness of the payroll process for employees within the Department. Assess the Department's compliance with internal policies and procedures. Provide recommendations based on leading practices to improve the efficiency and effectiveness of the processes. <i>PRIMARY FOCUS: Operational/Financial</i>	OFS Payroll	Compliance Risk Efficiency Risk Cycle Time Risk Change Readiness Risk Organizational Structure Risk	Q2 2013	600
Information Technology Privacy Review				
Evaluate the adequacy of the Department's ability to meet its privacy commitments and stated practices in accordance with GAPP (generally accepted privacy principles). Determine the Department's adherence to FERPA and other regulations. <i>PRIMARY FOCUS: Information Technology</i>	OITS Privacy and Data Protection	Privacy Risk Integrity Risk Access Risk Infrastructure Risk	Q3 2013	350
Student Assessment Administration Review - Phase I				
Review of the Systems Accountability Office's internal controls and business processes over the administration of student assessments, including the distribution and maintenance of student assessment material and the collection and reporting of student assessment results. Review will also focus on assessing the design and operating effectiveness of controls over student assessment data to ensure data is adequately secured and controlled. This review will exclude an assessment of the controls and processes associated with the development of student assessments. <i>PRIMARY FOCUS: Operational</i>	OS Student Assessment	Integrity Risk Security Risk Compliance Risk Access Risk Alignment Risk	Q3 2013	400



Internal Audit Plan

Internal Audit Plan: Year 2 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
Leave Accounting Follow-Up Review				
Follow-up to Internal Audit's Leave Data and Timekeeping Processes Review to assess the implementation of Management's Plans as described in the Final Report (2010). This follow-up review will also consider relevant findings and recommendations of the Form G-2 Process Improvement Review (2011).	OFS <i>Leave Accounting</i>	Compliance Risk Cycle Time Risk Efficiency Risk	Q4 2013	450
<i>PRIMARY FOCUS: Operational/Compliance</i>	Schools <i>Leave Accounting</i>	Change Readiness Risk Organizational Structure Risk		
Baseline Assurance Projects				
Local School Fund Audits, P-Card Reviews, and other.			Throughout	800
TOTAL PROPOSED ASSURANCE HOURS: 2013				3,750

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
IA CONSULTING, MONITORING, INVESTIGATIONS & OTHER				
Follow-Up Monitoring Based on Management Action Plans				
Follow-up on management action plans to the observations noted in the completed reviews.	Various	Alignment Risk Efficiency Risk	Throughout	500
Fraud & Ethics Hotline - Confidential Reporting Mechanism				
Administer a confidential reporting mechanism to report suspected fraudulent activities and violations of federal and state laws, rules, regulations, and departmental policies, procedures, regulations, rules, and guidance, as well as violations of the DOE's Ethics and Code of Conduct.	OS	Organizational Culture Risk Leadership Risk	Throughout	300



Internal Audit Plan

Internal Audit Plan: Year 2 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
IA CONSULTING, MONITORING, INVESTIGATIONS & OTHER				
ACL Audit Tool Development Design a continuous control monitoring tool utilizing ACL to analyze and query P-Card, purchasing, receiving, vendor management and/or accounts payable transactions to assess the effectiveness of the procurement and accounts payable functions.	OFS <i>Procurement & Contracting Vendor Payments</i>	Accounting Information Risk	Q2 2013	200
Internal Control & Operational Efficiency Consultation Provide consulting services to Department for internal control planning and operational improvement initiatives.	Various	Alignment Risk Efficiency Risk	Throughout	600
TOTAL PROPOSED IA CONSULTING HOURS: 2013				1,600
Investigations Conduct investigations of allegations concerning DOE fund or asset misappropriation, and other areas where requested. Estimated level of effort based on monthly/yearly historical hours for investigations requested by Internal Audit.			Throughout	1,450
Baseline Monitoring Projects Special Project - Cancelled Check Reviews, Annual Checklist Monitoring, and other.			Throughout	1,000
Function Administration 2013 Reporting and Communication			Throughout	200
Risk Assessment Re-evaluation & Audit Plan for 2014			Q4 2013	600
External, State, Legislative & Consultant Audit/Review Coordination			Throughout	200
Other Administration including budget preparation, meetings and other			Throughout	600
TOTAL PROPOSED INVESTIGATIONS & OTHER HOURS: 2013				4,050
TOTAL PROPOSED HOURS: 2013				9,400



Internal Audit Plan

The following represents the detailed Internal Audit Plan which covers the period January 1, 2014 through December 31, 2014 (Year 3).

Internal Audit Plan Period: January 1, 2014 through December 31, 2014 – Year 3

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
Post-RTTT Project Management Review				
Review, evaluate, and test the design and operating effectiveness of the business process and internal controls over the management and compliance of the Race to the Top (RTTT) plan to determine the attainment of RTTT objectives against project goals and Federal funding requirements. In addition, this review will assess "lessons learned" and focus on continuous improvement to ensure there are effective processes and internal controls.	OSR <i>Project Management</i>	Compliance Risk Planning Risk Alignment Risk Opportunity Cost Risk Communications Risk	Q1 2014	400
PRIMARY FOCUS: Operational/Compliance				
Governance & Ethics Review				
Review and evaluate the design and operating effectiveness of the DOE's ethics-related programs, activities, and processes to ensure effective governance and accountability throughout the DOE. Required review under the Institute of Internal Auditors International Professional Practices Framework.	OS OHR	Organizational Culture Risk Leadership Risk Board Effectiveness Risk	Q1 2014	350
PRIMARY FOCUS: Operational/Compliance				
Network Infrastructure Review				
Review of network architecture, security configuration, operations management, and monitoring procedures to ensure mitigation of confidentiality, integrity, and availability risks.	OITS <i>Infrastructure Maintenance</i>	Availability Risk Integrity Risk Security Risk Infrastructure Risk Capital Availability Risk	Q2 2014	450
PRIMARY FOCUS: Information Technology				
	Schools <i>IT Coordination</i>			



Internal Audit Plan

Internal Audit Plan: Year 3 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
Federal Compliance Review				
Evaluate the adequacy and effectiveness of the Department's Federal compliance function and opportunities to strengthen existing practices. The compliance function will be evaluated against the seven elements of an effective compliance program which include: compliance standards and procedures; oversight; education and training; monitoring and auditing; reporting; and enforcement and accountability.	OS <i>Federal Compliance</i>	Compliance Risk Leadership Risk Knowledge Capital Risk Alignment Risk	Q2 2014	400
PRIMARY FOCUS: Compliance				
Fixed Assets Management Review				
Review the adequacy of current Fixed Asset Management policies and processes as they relate to tracking and monitoring, recording and reporting, disposing, and depreciating fixed assets within the Accounting Services Branch. Provide recommendations based on leading practices to improve the efficiency and effectiveness of fixed asset management.	OFS <i>Fixed Assets & Inventory</i> Schools <i>Inventory</i>	Authority/Limit Risk Efficiency Risk Performance Gap Risk	Q3 2014	400
PRIMARY FOCUS: Financial				
P20 Longitudinal Data System - Post-Implementation Review				
Evaluate the P20 Longitudinal Data System application, interface, and associated infrastructure testing strategies and procedures, as well as, management plans relating to implementation sequencing activities to help ensure the continued integrity of the data utilized by the application and that those resources required by the application are readily available.	OITS <i>Systems Development</i>	Integrity Risk Access Risk Infrastructure Risk	Q3 2014	300
PRIMARY FOCUS: Information Technology				



Internal Audit Plan

Internal Audit Plan: Year 3 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
Student Transportation Services Implementation Follow-Up				
Review the following areas to determine whether the recommendations provided by outside consultants are implemented properly: (1) the design and operating effectiveness of procedures and controls are executed properly, (2) internal control procedures are adequate for monitoring contract compliance in all areas of operations and administration, and (3) assess the effectiveness and determine the results of performance measures and goals established for contractors providing student transportation services.	OSFSS <i>Student Transportation Services</i>	Budget & Planning Efficiency Risk Compliance Risk Alignment Risk	Q4 2014	400
<i>PRIMARY FOCUS: Operational/Compliance</i>				
Performance Evaluations Post-Implementation Review				
Evaluate the effectiveness of the performance evaluations modules to ensure that the intended objectives of implementing the system were met. Evaluate the design and operating effectiveness of procedures and controls over input, processing, and output to ensure: (1) information captured is complete and accurate and (2) information generated is accurate, reliable, and timely.	OHR <i>Performance Management & Evaluations</i>	Integrity Risk Access Risk Security Risk	Q4 2014	350
<i>PRIMARY FOCUS: Information Technology</i>				
Baseline Assurance Projects				
Local School Fund Audits, P-Card Reviews, and other.			Throughout	800
TOTAL PROPOSED ASSURANCE HOURS: 2014				3,850



Internal Audit Plan

Internal Audit Plan: Year 3 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
IA CONSULTING, MONITORING, INVESTIGATIONS & OTHER				
Follow-Up Monitoring Based on Management Action Plans Follow-up on management action plans to the observations noted in the completed reviews.	Various	Alignment Risk Efficiency Risk	Throughout	500
Fraud & Ethics Hotline - Confidential Reporting Mechanism Administer a confidential reporting mechanism to report suspected fraudulent activities and violations of federal and state laws, rules, regulations, and departmental policies, procedures, regulations, rules, and guidance, as well as violations of the DOE's Ethics and Code of Conduct.	OS	Organizational Culture Risk Leadership Risk	Throughout	300
Internal Control & Operational Efficiency Consultation Provide consulting services to Department for internal control planning and operational improvement initiatives.	Various	Alignment Risk Efficiency Risk	Various	600
TOTAL PROPOSED IA CONSULTING HOURS: 2014				1,400
Investigations Conduct investigations of allegations concerning DOE fund or asset misappropriation, and other areas where requested. Estimated level of effort based on monthly/yearly historical hours for investigations requested by Internal Audit.			Throughout	1,500



Internal Audit Plan

Internal Audit Plan: Year 3 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
IA CONSULTING, MONITORING, INVESTIGATIONS & OTHER				
Baseline Monitoring Projects				
Special Project - Cancelled Check Reviews, Annual Checklist Monitoring, and other.			Throughout	1,000
Function Administration 2014				
Reporting and Communication			Throughout	200
Risk Assessment Re-evaluation & Audit Plan for 2015 (Update)			Q4 2014	250
External, State, Legislative & Consultant Audit/Review Coordination			Throughout	200
Other Administration including budget preparation, meetings and other			Throughout	600
TOTAL PROPOSED INVESTIGATIONS & OTHER HOURS: 2014				3,750
TOTAL PROPOSED HOURS: 2014				9,000



Internal Audit Plan

The following represents the detailed Internal Audit Plan which covers the period January 1, 2015 through December 31, 2015 (Year 4).

Internal Audit Plan Period: January 1, 2015 through December 31, 2015 – Year 4

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
Data Access Controls Review				
Review access controls of select systems and/or records to ensure (1) only authorized individuals are permitted to request or approve access; (2) access provided aligns with job responsibilities; and (3) individuals are disabled or removed from the system when they no longer require access.	OITS <i>Identity & Access Management</i>	Access Risk Security Risk Integrity Risk	Q1 2015	300
<i>PRIMARY FOCUS: Information Technology</i>				
Operational Review of the Special Education Section				
Review the adequacy of the design of internal controls and business processes over the development, implementation, monitoring, and reporting processes for the DOE's Special Education programs that help to ensure compliance with Federal and State laws and regulations. In addition, this review will follow-up on relevant prior consultant findings and recommendations from the Special Education Review (2011). This review will not be an in-depth compliance review, but rather will focus on assessing the efficiency and effectiveness of control and process design.	OCISS <i>Special Education</i> Schools <i>Special Education, ELL & 504</i>	Efficiency Risk Leadership Risk Authority/Limit Risk Communication Risk Knowledge Capital Risk Alignment Risk	Q1 2015	400
<i>PRIMARY FOCUS: Operational</i>				
Student Assessment Administration Review - Phase II				
For a sample of schools, review the internal controls, related processes, and standard practices over the administration of student assessments, including the maintenance and distribution of student assessment material and the collection and reporting of student assessment results to the Systems Accountability Office. This review will also include an assessment of the controls over student assessment data at each selected school to ensure results are adequately secured and controlled.	OS <i>Student Assessment</i>	Integrity Risk Security Risk Access Risk Compliance Risk	Q2 2015	450
<i>PRIMARY FOCUS: Operational</i>				



Internal Audit Plan

Internal Audit Plan: Year 4 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
Capital Construction Oversight and Management Implementation Follow-Up				
<p>Review the following areas to determine whether the recommendations provided by outside consultants are implemented properly: (1) the design and operating effectiveness of procedures and internal controls are executed properly, (2) implementation of related business processes over the capital construction process are adequate, and (3) assess the application of primary controls for a selection of completed construction projects to include the following:</p> <ul style="list-style-type: none"> • General Construction Project Controls • Project Planning and Analysis • Project Review and Approval • Bid, Selection and Contract Development Approvals • Construction Phase Controls • Project Acceptance and Closeout <p>PRIMARY FOCUS: Operational/Financial</p>	<p>OSFSS <i>Planning</i> <i>Project Management</i> <i>Construction</i> <i>Management</i></p>	<p>Performance Gap Risk Budget & Planning Risk Efficiency Risk Scalability Risk Knowledge Capital Risk Alignment Risk Capital Availability Risk</p>	<p>Q2 2015</p>	<p>500</p>
<p>Review, evaluate and test the operating effectiveness of the process to verify that changes to the production environment are subject to a formal change management program ensuring that: responsibilities are defined and communicated; business continuity risks and effects are considered; only appropriate changes are initiated and approved; changes are properly tested and validated before migration to the production environment; changes to the production environment are implemented as intended; and controls exist to manage emergency changes to the production environment.</p> <p>PRIMARY FOCUS: Information Technology</p>	<p>OITS <i>Change & Patch</i> <i>Management</i></p>	<p>Integrity Risk Access Risk</p>	<p>Q3 2015</p>	<p>350</p>



Internal Audit Plan

Internal Audit Plan: Year 4 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
<p>Program Design and Management Review</p> <p>Evaluate the design, oversight, training and monitoring of educational programs throughout the Extended Learning Opportunities and Student Support Branch. Determine if Branch procedures and standards of practice are effectively shared among all of the program managers.</p> <p>PRIMARY FOCUS: Operational</p>	<p>OCISS</p> <p><i>Extended Learning Opportunities & Student Support</i></p> <p>Schools</p> <p><i>Student Instruction</i></p>	<p>Efficiency Risk</p> <p>Leadership Risk</p> <p>Performance Gap Risk</p> <p>Alignment Risk</p>	Q3 2015	400
<p>Disaster Recovery Review</p> <p>Evaluate existing system plans against the Trust Services Principles and Criteria for Availability. The evaluation will include testing of the design and operating effectiveness for documentation, testing and oversight controls.</p> <p>PRIMARY FOCUS: Information Technology</p>	<p>OITS</p> <p><i>Disaster Recovery</i></p>	<p>Integrity Risk</p> <p>Technological Innovation Risk</p> <p>Security Risk</p> <p>Infrastructure Risk</p>	Q4 2015	350
<p>Use of Facilities Review</p> <p>Review, evaluate and test the design and operating effectiveness of the "use of facilities" processes within the Department. Determine if the "use of facilities" is financially feasible, manageable in terms of risk, and is fair and equitable. Provide recommendations based on leading practices to improve the efficiency and effectiveness of the processes.</p> <p>PRIMARY FOCUS: Operational/Financial</p>	<p>OSFSS</p> <p><i>Repair & Maintenance Operations</i></p>	<p>Compliance Risk</p> <p>Efficiency Risk</p> <p>Change Readiness Risk</p> <p>Authority/Limit Risk</p> <p>Planning Risk</p>	Q4 2015	500
<p>Baseline Assurance Projects</p> <p>Local School Fund Audits, P-Card Reviews, and other.</p>			Throughout	800
TOTAL PROPOSED ASSURANCE HOURS: 2015				4,050



Internal Audit Plan

Internal Audit Plan: Year 4 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
IA CONSULTING, MONITORING, INVESTIGATIONS & OTHER				
Follow-Up Monitoring Based on Management Action Plans				
Follow-up on management action plans to the observations noted in the completed reviews.	Various	Alignment Risk Efficiency Risk	Throughout	500
Fraud & Ethics Hotline - Confidential Reporting Mechanism				
Administer a confidential reporting mechanism to report suspected fraudulent activities and violations of federal and state laws, rules, regulations, and departmental policies, procedures, regulations, rules, and guidance, as well as violations of the DOE's Ethics and Code of Conduct.	OS	Organizational Culture Risk Leadership Risk	Throughout	300
Internal Control & Operational Efficiency Consultation				
Provide consulting services to Department for internal control planning and operational improvement initiatives.	Various	Alignment Risk Efficiency Risk	Various	600
TOTAL PROPOSED IA CONSULTING HOURS: 2015				1,400
Investigations				
Conduct investigations of allegations concerning DOE fund or asset misappropriation, and other areas where requested. Estimated level of effort based on monthly/yearly historical hours for investigations requested by Internal Audit.			Throughout	1,500



Internal Audit Plan

Internal Audit Plan: Year 4 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
IA CONSULTING, MONITORING, INVESTIGATIONS & OTHER				
Baseline Monitoring Projects				
Special Project - Cancelled Check Reviews, Annual Checklist Monitoring, and other.			Throughout	1,000
Function Administration 2015				
Reporting and Communication			Throughout	200
Risk Assessment Re-evaluation & Audit Plan for 2016			Q4 2015	600
External, State, Legislative & Consultant Audit/Review Coordination			Throughout	200
Other Administration including budget preparation, meetings and other			Throughout	600
TOTAL PROPOSED INVESTIGATIONS & OTHER HOURS: 2015				4,100
TOTAL PROPOSED HOURS: 2015				9,550
TOTAL PROPOSED INTERNAL AUDIT PLAN HOURS: 2013 - 2015				27,950



PROPOSED UPDATED INTERNAL AUDIT PLAN SCHEDULE



Internal Audit Plan Schedule

The chart below depicts the proposed timing of the projects included in the Internal Audit Plan. The bars are meant to portray the approximate project duration, including the estimated start and end dates of each project.

Internal Audit Plan Period: January 1, 2013 through December 31, 2013 – Year 2

PROJECT	Q1 2013			Q2 2013			Q3 2013			Q4 2013		
	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec
IA Assurance												
Data Integrity Review - Student Enrollment (carryover from 2012)	◆											
Operational Review of the English Language Learner Programs		◆										
eHR Post-Implementation Review			◆									
Equipment and Fleet Maintenance Review				◆								
Payroll Review					◆							
Information Technology Privacy Review							◆					
Student Assessment Administration Review - Phase I								◆				
Leave Accounting Follow-Up Review										◆		
Baseline Assurance Projects	◆											
IA Consulting, Monitoring, Investigations & Other												
Follow-Up Monitoring Based on Management Action Plans	◆											
Fraud & Ethics Hotline - Confidential Reporting Mechanism	◆											
ACL Audit Tool Development				◆								
Internal Control & Operational Efficiency Consultation	◆											
Investigations	◆											
Baseline Monitoring Projects	◆											
Function Administration	◆											
Risk Assessment & Audit Plan										◆		

- ◆ Assurance Project
- ◆ Throughout the year, as requested
- ◆ Meetings, Board Support, Other
- ◆ IA Consulting & Other Projects



Internal Audit Plan Schedule

Internal Audit Plan Period: January 1, 2014 through December 31, 2014 – Year 3

PROJECT	Q1 2014			Q2 2014			Q3 2014			Q4 2014		
	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec
Assurance												
Post - RTTT Project Management Review	◆											
Governance & Ethics Review		◆										
Network Infrastructure Review				◆								
Federal Compliance Review					◆							
Fixed Assets Management Review							◆					
P20 Longitudinal Data System - Post-Implementation Review								◆				
Student Transportation Services Implementation Follow-Up										◆		
Performance Evaluations Post-Implementation Review											◆	
Baseline Assurance Projects	◆											
IA Consulting, Monitoring, Investigations & Other												
Follow-Up Monitoring Based on Management Action Plans	◆											
Fraud & Ethics Hotline - Confidential Reporting Mechanism	◆											
Internal Control & Operational Efficiency Consultation	◆											
Investigations	◆											
Baseline Monitoring Projects	◆											
Function Administration	◆											
Risk Assessment & Audit Plan (Update)												◆

- ◆ Assurance Project
- ◆ Throughout the year, as requested
- ◆ Meetings, Board Support, Other
- ◆ IA Consulting & Other Projects



Internal Audit Plan Schedule

Internal Audit Plan Period: January 1, 2015 through December 31, 2015 – Year 4

PROJECT	Q1 2015			Q2 2015			Q3 2015			Q4 2015		
	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec
Assurance												
Data Access Controls Review	◆											
Operational Review of the Special Education Section		◆										
Student Assessment Administration Review - Phase II				◆								
Capital Construction Oversight and Management Implementation Follow-Up					◆							
Change and Patch Management Review							◆					
Program Design and Management Review								◆				
Disaster Recovery Review										◆		
Use of Facilities Review											◆	
Baseline Assurance Projects	◆											
IA Consulting, Monitoring, Investigations & Other												
Follow-Up Monitoring Based on Management Action Plans	◆											
Fraud & Ethics Hotline - Confidential Reporting Mechanism	◆											
Internal Control & Operational Efficiency Consultation	◆											
Investigations	◆											
Baseline Monitoring Projects	◆											
Function Administration	◆											
Risk Assessment & Audit Plan										◆		

- ◆ Assurance Project
- ◆ Throughout the year, as requested
- ◆ Meetings, Board Support, Other
- ◆ IA Consulting & Other Projects