



State of Hawaii

Department of Education

Internal Audit Plan
(January 1, 2012 – December 31, 2015)

**Subject to approval by the Audit Committee
and Board of Education on April 17, 2012**

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

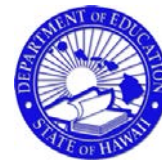
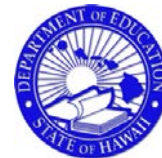


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INTRODUCTION & BACKGROUND



Introduction & Background

This report presents the Internal Audit Office's ("IA") Internal Audit Plan for the State of Hawaii, Department of Education. This four year Internal Audit Plan covers the periods January 1, 2012 through December 31, 2012 (Year 1), January 1, 2013 through December 31, 2013 (Year 2), January 1, 2014 through December 31, 2014 (Year 3), and January 1, 2015 through December 31, 2015 (Year 4), collectively the "Audit Plan." 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 Audit Plan was developed based on the results of the approved Risk Assessment, which was presented to the Audit Committee on November 15, 2011 and subsequently approved by the Board on December 6, 2011, and is incorporated herein by reference. The Risk Assessment was 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. The purpose of the Risk Assessment was to identify areas that are most critical to the success of the DOE in reaching its goals and strategic objectives, and to help allocate Internal Audit resources to these areas.

As a result of the Risk Assessment, 29 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 projects to address these high risk areas over a four year period. The timing of these projects could be adjusted and projects could be added or removed from the Audit Plan based on resource availability, annual Risk Assessment updates, or specific requests from the Audit Committee. As risks to the DOE change over time, management and the Audit Committee are encouraged to re-evaluate the Audit Plan periodically.

Introduction & Background



The table below summarizes the hours of the Audit Plan:

Proposed Internal Audit Activity Hours

	Year 1	Year 2	Year 3	Year 4
	2012	2013	2014	2015
Assurance	2,700	3,650	3,950	3,900
IA Consulting	700	400	500	500
Investigations & Other	<u>4,150</u>	<u>3,450</u>	<u>3,450</u>	<u>3,450</u>
Total	<u>7,550</u>	<u>7,500</u>	<u>7,900</u>	<u>7,850</u>



INTERNAL AUDIT PLAN



Internal Audit Plan

The following represents the detailed Internal Audit Plan which covers the period January 1, 2012 through December 31, 2012.

Internal Audit Plan Period: January 1, 2012 through December 31, 2012 – Year 1

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
ASSURANCE				
<p>Procurement & Contracting Process Review</p> <p>Evaluate the Department's compliance with internal purchasing policies and procedures and Federal and State laws, rules and regulations, where applicable. Test the design and operating effectiveness of the Department's internal controls over procurement of goods and services and provide efficiency and effectiveness recommendations. Where applicable, this review will follow-up on the results of previous report findings and studies.</p> <p>PRIMARY FOCUS: Compliance/Financial</p>	<p>OFS <i>Procurement & Contracting</i></p>	<p>Compliance Risk Efficiency Risk Performance Gap Risk Change Readiness Risk</p>	<p>Q1 2012</p>	<p>600</p>
<p>Casual Hire Recruitment & Hiring Review</p> <p>Review, evaluate and test the design and operating effectiveness of the Department's recruiting and hiring process for Casual Hires (hourly non-certificated staff, including part-time temporary teachers, substitute teachers, A+ Afterschool Plus workers, tutors, parent/community networking center facilitators, adult meal supervisors, school operations substitutes, and certain others). Provide recommendations based on leading practices to improve the efficiency and effectiveness of the processes.</p> <p>PRIMARY FOCUS: Operational</p>	<p>OHR <i>Recruitment & Hiring</i></p>	<p>Organizational Culture Risk Human Resources Risk Performance Gap Risk Knowledge Capital Risk Alignment Risk</p>	<p>Q2 2012</p>	<p>550</p>
<p>School Food Services Review</p> <p>Determine if the policies and procedures governing the planning, ordering, meal preparation, and inventory of food items are adequately designed and monitored by the Department. This review will focus on the key elements of effective infrastructure for a business process: policies, processes, people and organization, management reports, methodologies, and system and data.</p> <p>PRIMARY FOCUS: Operational/Financial</p>	<p>OSFSS <i>School Food Services - Fiscal Management</i></p>	<p>Authority/Limit Risk Efficiency Risk Performance Gap Risk</p>	<p>Q3 2012</p>	<p>450</p>



Internal Audit Plan

Internal Audit Plan: Year 1 (continued)

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
ASSURANCE				
<p>Data Integrity Review - Student Enrollment</p> <p>Review the information management controls in place to ensure data is accurate, complete, and consistent. Test and validate the data quality for a sample of yearly reports, such as student enrollment projections, enrollment counts, and/or student transfers.</p> <p>PRIMARY FOCUS: Information Technology/Operational</p>	<p>OITS Information Management</p>	<p>Integrity Risk Access Risk Alignment Risk</p>	<p>Q4 2012</p>	<p>400</p>
<p>School Monitoring Program - Phase I</p> <p>Compile and collaborate with various groups throughout the Department on the monitoring tools at the School level to ensure processes and related internal controls are designed and operating effectively and efficiently. Execute a standardized testing strategy of internal controls at the Schools to include, among others, tests of controls over local school funds, leave accounting, procurement, inventory, special services, and IT coordination.</p> <p>PRIMARY FOCUS: Operational/Compliance/Financial</p>	<p>Schools</p>	<p>Efficiency Risk Human Resources Risk Compliance Risk Scalability Risk Performance Gap Risk</p>	<p>Throughout</p>	<p>700</p>
<p>TOTAL PROPOSED ASSURANCE HOURS: 2012</p>				<p>2,700</p>

Internal Audit Plan



Internal Audit Plan: Year 1 (continued)

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
IA CONSULTING				
<p>Ethics and Code of Conduct - Confidential Reporting Mechanism Provide consultation to enhance the monitoring processes (i.e., mechanism to report suspected fraudulent activities) and related policies and procedures in connection with ethics and code of conduct related matters.</p>	OHR OS	Organizational Culture Risk Leadership Risk	Q1 2012	300
<p>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.</p>	OFS <i>Procurement & Contracting Vendor Payments</i>	Accounting Information Risk	Q2 2012	200
<p>Internal Control & Operational Efficiency Consultation Provide consulting services to Department for internal control planning and operational improvement initiatives.</p>	Various	Alignment Risk Efficiency Risk	Throughout	200
TOTAL PROPOSED IA CONSULTING HOURS: 2012				700



Internal Audit Plan

Internal Audit Plan: Year 1 (continued)

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
INVESTIGATIONS & OTHER				
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	2,500
Baseline Monitoring Projects				
Local School Fund Audits, Special Project - Cancelled Check and Deposit Reviews, Annual Checklist Monitoring, P-Card Review, and other.			Throughout	700
Function Administration 2012				
Reporting and Communication			Throughout	200
Risk Assessment Re-evaluation & Audit Plan for 2013 (Update)			Q4 2012	250
External, State, Legislative & Consultant Audit/Review Coordination			Throughout	300
Other Administration including budget preparation, meetings and other			Throughout	200
TOTAL PROPOSED INVESTIGATIONS & OTHER HOURS: 2012				4,150
TOTAL PROPOSED HOURS: 2012				7,550



Internal Audit Plan

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

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

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
ASSURANCE				
<p>Equipment and Fleet Maintenance Review</p> <p>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</p> <p><i>Repair and Maintenance Operations</i></p>	<p>Budget & Planning Risk</p> <p>Efficiency Risk</p> <p>Performance Gap Risk</p> <p>Alignment Risk</p>	Q1 2013	400
<p>eHR Post-Implementation Review</p> <p>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</p> <p><i>Recruitment & Hiring</i></p>	<p>Integrity Risk</p> <p>Access Risk</p> <p>Security Risk</p> <p>Cycle Time Risk</p>	Q1 2013	300
<p>Federal Compliance Review</p> <p>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.</p> <p>PRIMARY FOCUS: Compliance</p>	<p>OS</p> <p><i>Federal Compliance</i></p>	<p>Compliance Risk</p> <p>Leadership Risk</p> <p>Knowledge Capital Risk</p> <p>Alignment Risk</p>	Q2 2013	400



Internal Audit Plan

Internal Audit Plan: Year 2 (continued)

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
ASSURANCE				
<p>Information Technology Privacy Review</p> <p>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.</p> <p>PRIMARY FOCUS: Information Technology</p>	<p>OITS</p> <p><i>Privacy and Data Protection</i></p>	<p>Privacy Risk</p> <p>Integrity Risk</p> <p>Access Risk</p> <p>Infrastructure Risk</p>	<p>Q3 2013</p>	<p>350</p>
<p>Student Assessment Administration Review - Phase I</p> <p>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.</p> <p>PRIMARY FOCUS: Operational</p>	<p>OS</p> <p><i>Student Assessment</i></p>	<p>Integrity Risk</p> <p>Security Risk</p> <p>Compliance Risk</p> <p>Access Risk</p> <p>Alignment Risk</p>	<p>Q3 2013</p>	<p>400</p>
<p>Governance & Ethics Review</p> <p>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.</p> <p>PRIMARY FOCUS: Operational/Compliance</p>	<p>OS</p> <p>OHR</p>	<p>Organizational Culture Risk</p> <p>Leadership Risk</p> <p>Board Effectiveness Risk</p>	<p>Q4 2013</p>	<p>350</p>



Internal Audit Plan

Internal Audit Plan: Year 2 (continued)

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
ASSURANCE				
<p>Leave Accounting Follow-Up Review</p> <p>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).</p> <p>PRIMARY FOCUS: Operational/Compliance</p>	<p>OFS</p> <p><i>Leave Accounting</i></p>	<p>Compliance Risk</p> <p>Cycle Time Risk</p> <p>Efficiency Risk</p> <p>Change Readiness Risk</p> <p>Organizational Structure Risk</p>	<p>Q4 2013</p>	<p>450</p>
<p>School Monitoring Program - Phase II</p> <p>Execute the standardized testing strategy of internal controls at the Schools to include, among others, tests of controls over local school funds, leave accounting, procurement, inventory, special services, and IT coordination.</p> <p>PRIMARY FOCUS: Operational/Compliance/Financial</p>	<p>Schools</p>	<p>Compliance Risk</p> <p>Efficiency Risk</p> <p>Scalability Risk</p> <p>Performance Gap Risk</p> <p>Human Resources Risk</p> <p>Alignment Risk</p>	<p>Throughout</p>	<p>1,000</p>
<p>TOTAL PROPOSED ASSURANCE HOURS: 2013</p>				<p>3,650</p>



Internal Audit Plan

Internal Audit Plan: Year 2 (continued)

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
IA CONSULTING, INVESTIGATIONS & OTHER				
Internal Control & Operational Efficiency Consultation				
Provide consulting services to Department for internal control planning and operational improvement initiatives.	Various	Alignment Risk Efficiency Risk	Various	400
TOTAL PROPOSED IA CONSULTING HOURS: 2013				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	2,000
Baseline Monitoring Projects				
Local School Fund Audits, Special Project - Cancelled Check and Deposit Reviews, Annual Checklist Monitoring, P-Card Review, and other.			Throughout	700
Function Administration 2013				
Reporting and Communication			Throughout	100
Risk Assessment Re-evaluation & Audit Plan for 2014			Q4 2013	250
External, State, Legislative & Consultant Audit/Review Coordination			Throughout	200
Other Administration including budget preparation, meetings and other			Throughout	200
TOTAL PROPOSED INVESTIGATIONS & OTHER HOURS: 2013				3,450
TOTAL PROPOSED HOURS: 2013				7,500



Internal Audit Plan

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

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

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
ASSURANCE				
<p>RTTT Project Management Review</p> <p>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. Assess the progress and 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.</p> <p>PRIMARY FOCUS: Operational/Compliance</p>	<p>OS</p> <p><i>Federal Compliance</i></p>	<p>Compliance Risk</p> <p>Planning Risk</p> <p>Alignment Risk</p> <p>Opportunity Cost Risk</p> <p>Communications Risk</p>	<p>Q1 2014</p>	<p>400</p>
<p>Operational Review of the English Language Learner Programs</p> <p>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</p> <p><i>School Literacy Improvement & Innovation</i></p>	<p>Efficiency Risk</p> <p>Authority/Limit Risk</p> <p>Communication Risk</p> <p>Alignment Risk</p>	<p>Q2 2014</p>	<p>450</p>
<p>Fixed Assets Management Review</p> <p>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.</p> <p>PRIMARY FOCUS: Financial</p>	<p>OFS</p> <p><i>Fixed Assets & Inventory</i></p>	<p>Authority/Limit Risk</p> <p>Efficiency Risk</p> <p>Performance Gap Risk</p>	<p>Q2 2014</p>	<p>400</p>



Internal Audit Plan

Internal Audit Plan: Year 3 (continued)

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
ASSURANCE				
<p>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. PRIMARY FOCUS: Information Technology</p>	<p>OITS <i>Systems Development</i></p>	<p>Integrity Risk Access Risk Infrastructure Risk</p>	<p>Q3 2014</p>	<p>300</p>
<p>Student Transportation Services Review Determine whether (1) independent contractors providing student transportation services for the DOE are in compliance with key contract requirements, (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. PRIMARY FOCUS: Operational/Compliance</p>	<p>OSFSS <i>Student Transportation Services</i></p>	<p>Budget & Planning Efficiency Risk Compliance Risk Alignment Risk</p>	<p>Q3 2014</p>	<p>600</p>
<p>HR Service Center/HR Units Review Evaluate the adequacy and effectiveness of the inter-relationship between the Office of Human Resources and the HR Service Centers/HR Units (District level) in relation to the recruitment and labor relations functions. Test to ensure the processes at the District level are clearly defined and align with those of OHR and provide efficiency and effectiveness recommendations. PRIMARY FOCUS: Operational</p>	<p>OHR <i>HR Service Center/HR Units</i></p>	<p>Alignment Risk Efficiency Risk Communication Risk</p>	<p>Q4 2014</p>	<p>500</p>



Internal Audit Plan

Internal Audit Plan: Year 3 (continued)

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
ASSURANCE				
<p>Data Access Controls Review</p> <p>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.</p> <p>PRIMARY FOCUS: Information Technology</p>	<p>OITS</p> <p><i>Identity & Access Management</i></p>	<p>Access Risk</p> <p>Security Risk</p> <p>Integrity Risk</p>	<p>Q4 2014</p>	<p>300</p>
<p>School Monitoring Program - Phase III</p> <p>Execute the standardized testing strategy of internal controls at the Schools to include, among others, tests of controls over local school funds, leave accounting, procurement, inventory, special services, and IT coordination.</p> <p>PRIMARY FOCUS: Operational/Compliance/Financial</p>	<p>Schools</p>	<p>Compliance Risk</p> <p>Efficiency Risk</p> <p>Scalability Risk</p> <p>Performance Gap Risk</p> <p>Human Resources Risk</p> <p>Alignment Risk</p>	<p>Throughout</p>	<p>1,000</p>
<p>TOTAL PROPOSED ASSURANCE HOURS: 2014</p>				<p>3,950</p>

Internal Audit Plan



Internal Audit Plan: Year 3 (continued)

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
IA CONSULTING, INVESTIGATIONS & OTHER				
Internal Control & Operational Efficiency Consultation				
Provide consulting services to Department for internal control planning and operational improvement initiatives.	Various	Alignment Risk Efficiency Risk	Various	500
TOTAL PROPOSED IA CONSULTING HOURS: 2014				500
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	2,000
Baseline Monitoring Projects				
Local School Fund Audits, Special Project - Cancelled Check and Deposit Reviews, Annual Checklist Monitoring, P-Card Review, and other.			Throughout	700
Function Administration 2014				
Reporting and Communication			Throughout	100
Risk Assessment Re-evaluation & Audit Plan for 2015			Q4 2014	250
External, State, Legislative & Consultant Audit/Review Coordination			Throughout	200
Other Administration including budget preparation, meetings and other			Throughout	200
TOTAL PROPOSED INVESTIGATIONS & OTHER HOURS: 2014				3,450
TOTAL PROPOSED HOURS: 2014				7,900



Internal Audit Plan

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

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

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
ASSURANCE				
Program Design and Management Review				
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. <i>PRIMARY FOCUS: Operational</i>	OCISS <i>Extended Learning Opportunities & Student Support</i>	Efficiency Risk Leadership Risk Performance Gap Risk Alignment Risk	Q1 2015	400
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. <i>PRIMARY FOCUS: Operational</i>	OS <i>Student Assessment Schools</i>	Integrity Risk Security Risk Access Risk Compliance Risk	Q1 2015	450
Change and Patch Management Review				
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. <i>PRIMARY FOCUS: Information Technology</i>	OITS <i>Change & Patch Management</i>	Integrity Risk Access Risk	Q2 2015	350



Internal Audit Plan

Internal Audit Plan: Year 4 (continued)

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
ASSURANCE				
Capital Construction Oversight and Management				
<p>Evaluate the design and operational effectiveness of internal controls and related business processes over the capital construction process. Internal Audit will assess the following primary controls for a selection of completed construction projects:</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>
Network Infrastructure Review				
<p>Review of network architecture, security configuration, operations management, and monitoring procedures to ensure mitigation of confidentiality, integrity, and availability risks.</p> <p>PRIMARY FOCUS: Information Technology</p>	<p>OITS <i>Infrastructure</i> <i>Maintenance</i></p>	<p>Availability Risk Integrity Risk Security Risk Infrastructure Risk</p>	<p>Q3 2015</p>	<p>450</p>



Internal Audit Plan

Internal Audit Plan: Year 4 (continued)

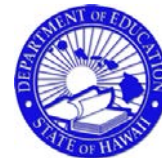
Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
ASSURANCE				
Operational Review of the Special Education Section				
<p>Review the adequacy of the design of internal controls and business processes over the development, implementation, monitoring, and reporting processes for the DOE's 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.</p> <p>PRIMARY FOCUS: Operational</p>	<p>OISS <i>Special Education</i></p>	<p>Efficiency Risk Leadership Risk Authority/Limit Risk Communication Risk Knowledge Capital Risk Alignment Risk</p>	<p>Q4 2015</p>	<p>400</p>
Disaster Recovery Review				
<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 <i>Disaster Recovery</i></p>	<p>Integrity Risk Technological Innovation Risk Security Risk Infrastructure Risk</p>	<p>Q4 2015</p>	<p>350</p>
School Monitoring Program - Phase IV				
<p>Execute the standardized testing strategy of internal controls at the Schools to include, among others, tests of controls over local school funds, leave accounting, procurement, inventory, special services, and IT coordination.</p> <p>PRIMARY FOCUS: Operational/Compliance/Financial</p>	<p>Schools</p>	<p>Compliance Risk Efficiency Risk Scalability Risk Performance Gap Risk Human Resources Risk Alignment Risk</p>	<p>Throughout</p>	<p>1,000</p>
<p>TOTAL PROPOSED ASSURANCE HOURS: 2015</p>				<p>3,900</p>

Internal Audit Plan



Internal Audit Plan: Year 4 (continued)

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
IA CONSULTING, INVESTIGATIONS & OTHER				
Internal Control & Operational Efficiency Consultation				
Provide consulting services to Department for internal control planning and operational improvement initiatives.	Various	Alignment Risk Efficiency Risk	Various	500
TOTAL PROPOSED IA CONSULTING HOURS: 2015				500
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	2,000
Baseline Monitoring Projects				
Local School Fund Audits, Special Project - Cancelled Check and Deposit Reviews, Annual Checklist Monitoring, P-Card Review, and other.			Throughout	700
Function Administration 2015				
Reporting and Communication			Throughout	100
Risk Assessment Re-evaluation & Audit Plan for 2016			Q4 2015	250
External, State, Legislative & Consultant Audit/Review Coordination			Throughout	200
Other Administration including budget preparation, meetings and other			Throughout	200
TOTAL PROPOSED INVESTIGATIONS & OTHER HOURS: 2015				3,450
TOTAL PROPOSED HOURS: 2015				7,850
TOTAL PROPOSED INTERNAL AUDIT PLAN HOURS: 2012 - 2015				30,800



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, 2012 through December 31, 2012 – Year 1

PROJECT	Q1 2012			Q2 2012			Q3 2012			Q4 2012		
	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec
IA Assurance												
Procurement & Contracting Process Review			◆	◆	◆	◆						
Casual Hire Recruitment & Hiring Review					◆	◆	◆	◆				
School Food Services Review								◆	◆	◆		
Data Integrity Review - Student Enrollment										◆	◆	◆
School Monitoring Program - Phase I				◆	◆	◆	◆	◆	◆	◆	◆	◆
IA Consulting & Other												
Ethics and Code of Conduct - Confidential Reporting Mechanism		◆	◆	◆	◆							
ACL Audit Tool Development					◆	◆						
Internal Control & Operational Efficiency Consultation	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Investigations	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Baseline Monitoring Projects	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Function Administration	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Risk Assessment & Audit Plan (Update)											◆	◆

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

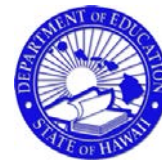


Internal Audit Plan Schedule

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												
Equipment and Fleet Maintenance Review	◆											
eHR Post-Implementation Review		◆										
Federal Compliance Review				◆								
Information Technology Privacy Review						◆						
Student Assessment Administration Review - Phase I							◆					
Governance & Ethics Review									◆			
Leave Accounting Follow-Up Review											◆	
School Monitoring Program - Phase II	◆											
IA Consulting & Other												
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												
RTTT Project Management Review	◆											
Operational Review of the English Language Learner Programs			◆									
Fixed Assets Management Review					◆							
P20 Longitudinal Data System - Post-Implementation Review							◆					
Student Transportation Services Review							◆					
HR Service Center/HR Units Review									◆			
Data Access Controls Review											◆	
School Monitoring Program - Phase III	◆											
IA Consulting & Other												
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, 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												
Program Design and Management Review	◆											
Student Assessment Administration Review - Phase II		◆										
Change and Patch Management Review				◆								
Capital Construction Oversight and Management					◆							
Network Infrastructure Review							◆					
Operational Review of the Special Education Section									◆			
Disaster Recovery Review											◆	
School Monitoring Program - Phase IV	◆											
IA Consulting & Other												
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