

State of Hawaii

Department of Education

Updated Risk Assessment and Internal Audit Plan
July 1, 2014 – June 30, 2019

Subject to approval by the Board of Education at the
August 5, 2014 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.*



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EXECUTIVE SUMMARY



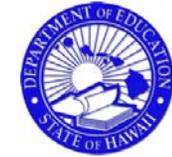
Executive Summary

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 July 1, 2014 through June 30, 2019. The previous re-assessment of risk assessment was performed in December 2012. The development and execution of this Audit Plan is important in meeting the mission of the Internal Audit Office – *"to provide independent and objective assurance and consulting services designed to add value and improve the Department of Education's ("DOE") operations."*

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 5 projects in fiscal year (“FY”) 2015 (Year 3), 6 projects in FY 2016 (Year 4), 5 projects in FY 2017 (Year 5), 6 projects from FY 2018 (Year 6), and 3 projects from FY 2019 (Year 7), which are also presented on the following pages. During the first 2½ years from January 1, 2012 – June 30, 2014 (Year 1 & 2) of the Audit Plan, IA worked on all 16 projects listed in the revised Audit Plan. The table below summarizes the hours of the Audit Plan from Year 1 to Year 7. 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 Hours¹

	Year 1	Year 1	Year 2	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	1/1/12 – 6/30/13 ² (Est.)	1/1/12 – 6/30/13 ² (Act.)	7/1/13 – 6/30/14 ³ (Est.)	7/1/13 – 6/30/14 ³ (Act.)	7/1/14 – 6/30/15 ⁴ (Est.)	7/1/15 – 6/30/16 ⁴ (Est.)	7/1/16 – 6/30/17 ⁴ (Est.)	7/1/17 – 6/30/18 ⁴ (Est.)	7/1/18 – 6/30/19 ⁴ (Est.)
Assurance	3,170	3,823	3,020	2,780	4,210	4,120	4,130	3,880	3,880
IA Consulting & Monitoring	2,200	2,202	1,850	961	1,450	1,450	1,450	1,450	1,450
Investigations & Other	6,200	6,155	5,240	6,364	6,480	6,490	6,500	6,800	6,750
Outside Consulting (SME)	<u>120</u>	<u>524</u>	<u>230</u>	<u>160</u>	<u>230</u>	<u>230</u>	<u>230</u>	<u>230</u>	<u>230</u>
Total	<u>11,690</u>	<u>12,704</u>	<u>10,340</u>	<u>10,265</u>	<u>12,370</u>	<u>12,290</u>	<u>12,310</u>	<u>12,360</u>	<u>12,310</u>

¹ Activity hours do not include holiday, vacation, sick, and training hours.

² Hours based on an 18 month period and 5 staff members.

³ Hours based on a 12 month period and 6 staff members.

⁴ Hours based on a 12 month period and 7 staff members.



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.

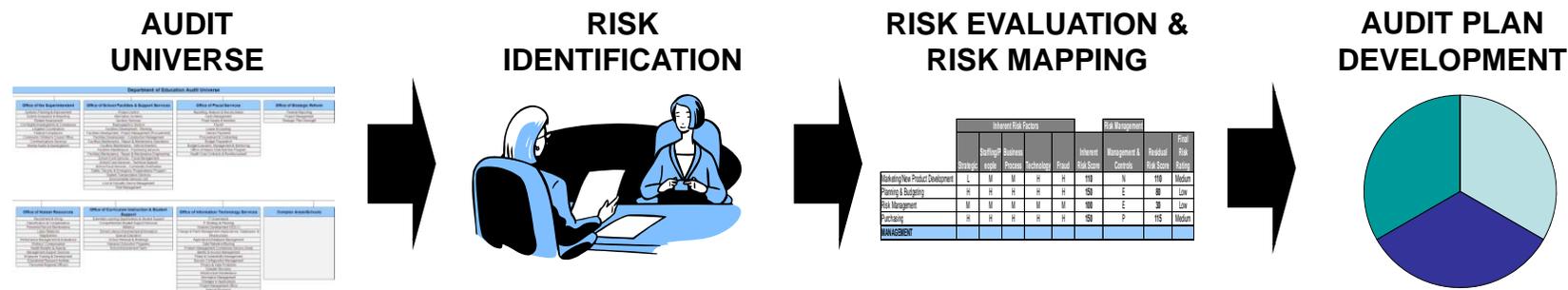
This Re-Assessment and resulting Audit Plan has been developed to ensure that the DOE has sufficient and continuous internal audit coverage of those areas judged as having a relatively higher risk profile or that otherwise require internal audit attention for management or regulatory reasons. For purposes 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 pages 19-20.

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 prior year’s Re-Assessment of 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 FY 2013 & 2014 Audit Plan. The following is a summary of our re-evaluation process:



	Inherent Risk Factors					Risk Management			Final Risk Rating
	Strategic	Staffing/People	Business Process	Technology	Physical	Inherent Risk Score	Management & Controls	Residual Risk Score	
Building/New Product Development	L	M	M	H	H	110	N	110	Medium
Planning & Budgeting	H	H	H	H	H	150	E	80	Low
Risk Management	H	M	H	M	M	120	E	30	Low
Purchasing	H	H	H	H	H	150	P	115	Medium
MANAGEMENT									

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

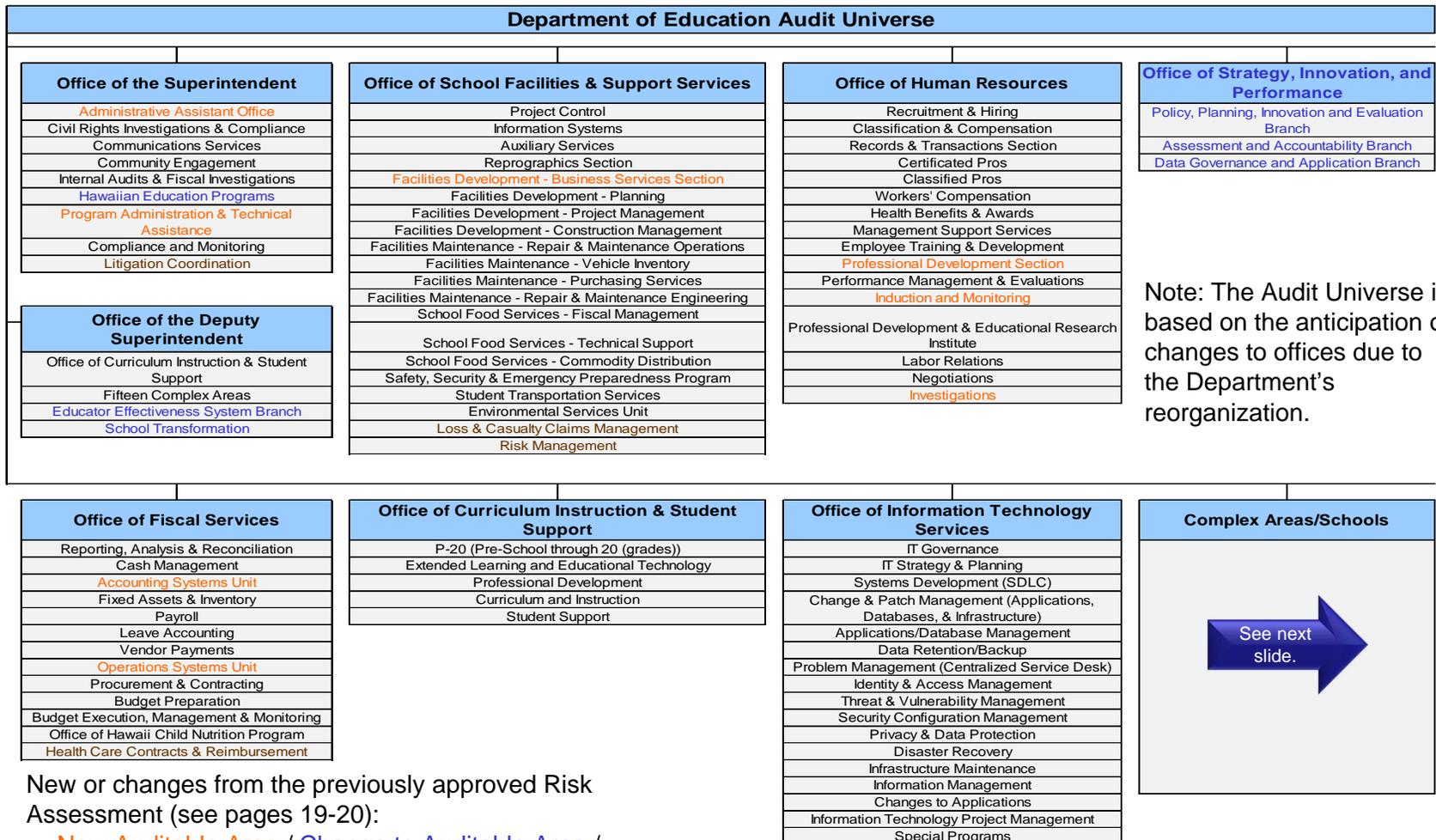
- Re-focused the Audit Plan on the key control processes
- Developed a balanced Internal Audit project plan comprised of financial, operational and compliance audits, and where applicable special projects
- Ensured audit coverage of significant risk areas

By developing an understanding of the key risks and issues at the DOE, IA developed a focused plan, which will coordinate management, internal audit & external Subject Matter Expert (SME) resources to ensure maximum risk coverage.



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.



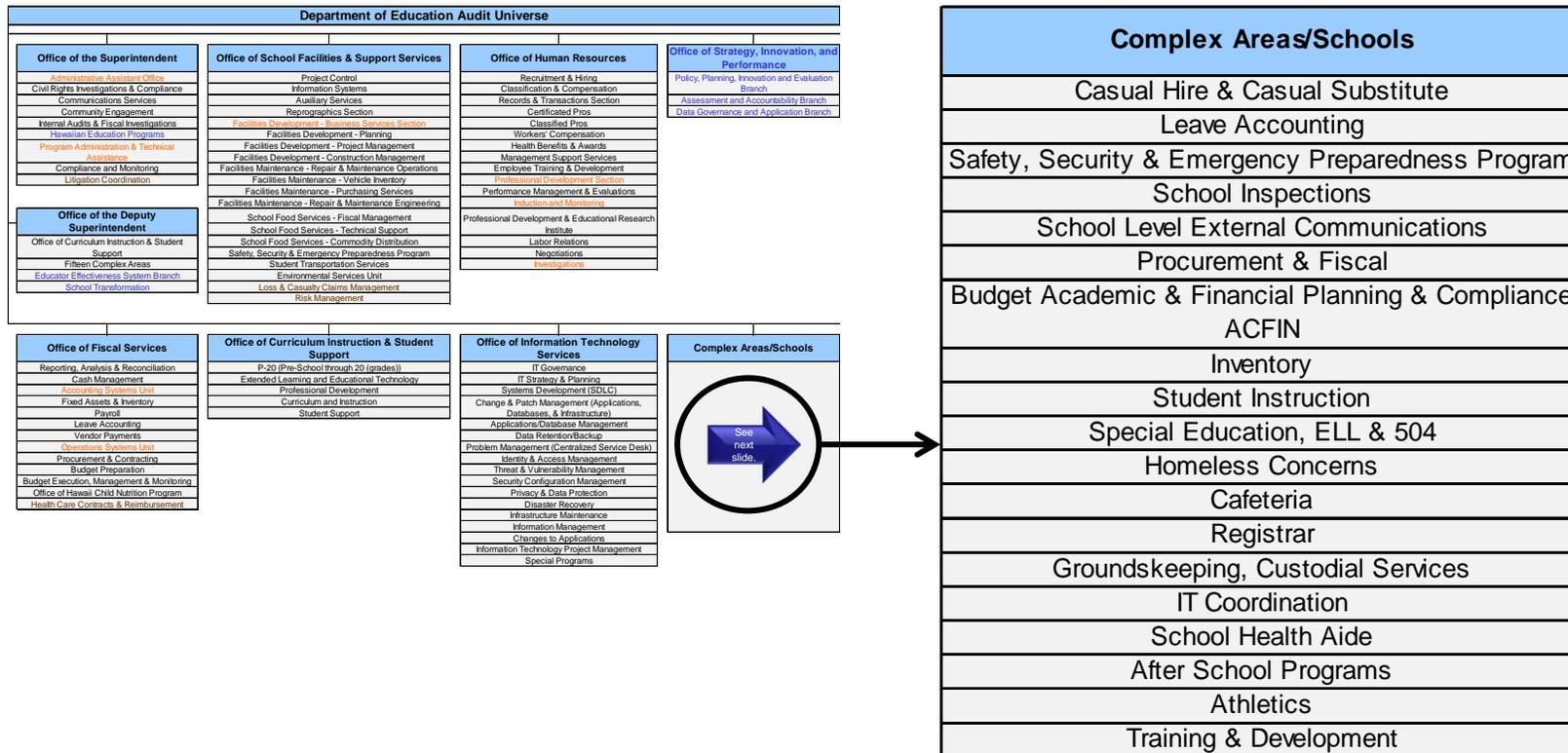
Note: The Audit Universe is based on the anticipation of changes to offices due to the Department's reorganization.

New or changes from the previously approved Risk Assessment (see pages 19-20):
 - **New Auditable Area** / **Change to Auditable Area** / **Auditable Area to be Removed**



Introduction & Overview – Audit Universe

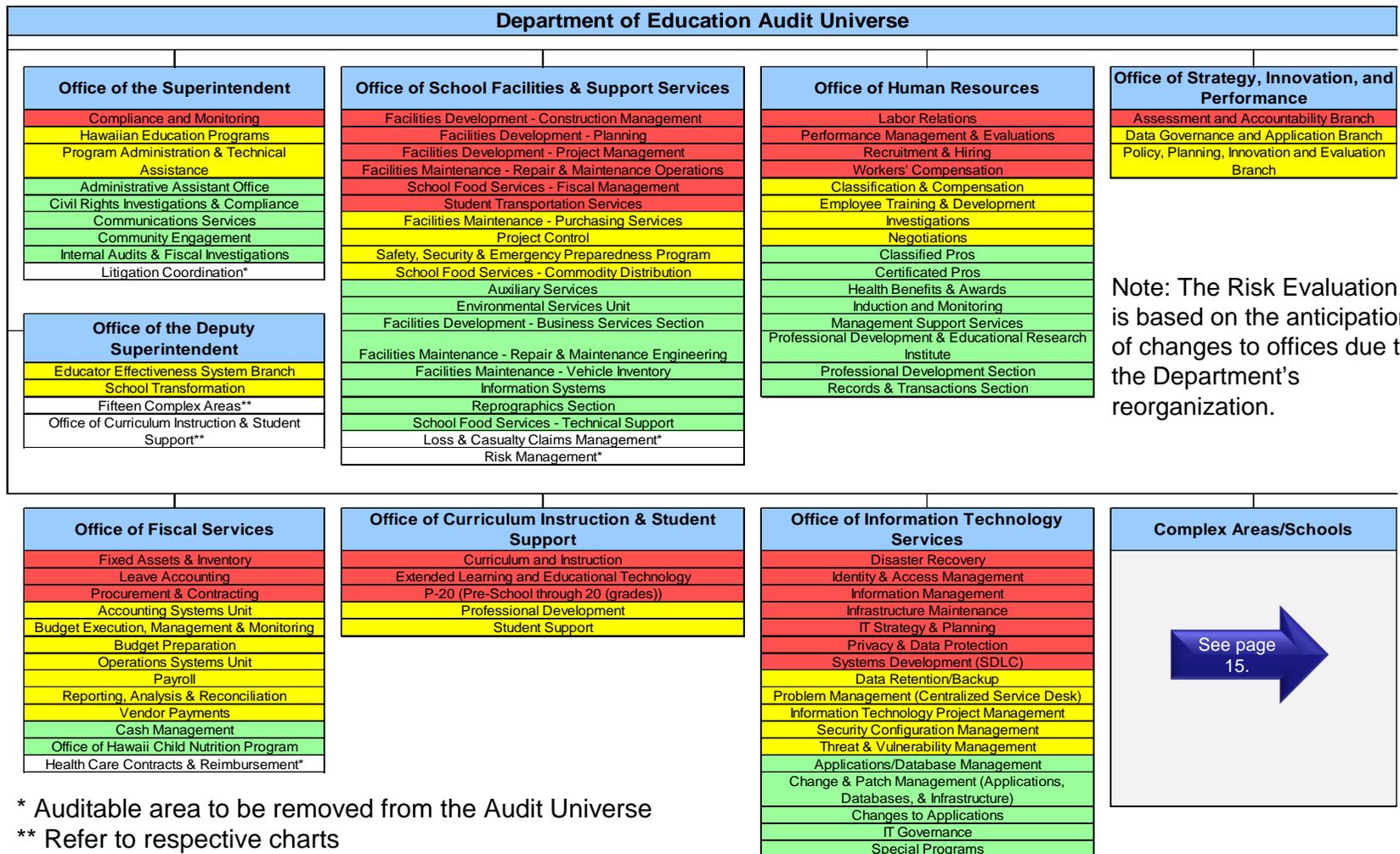
The **Complex Areas/Schools** auditable areas are detailed below:





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.



Note: The Risk Evaluation is based on the anticipation of changes to offices due to the Department's reorganization.

* Auditable area to be removed from the Audit Universe
 ** Refer to respective charts



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	2013 Final Risk Rating	2014 Final Risk Rating
OS	Compliance and Monitoring (Previously was Federal Compliance)	High	High
OSFSS	Facilities Development - Construction Management	High	High
OSFSS	Facilities Development - Planning	High	High
OSFSS	Facilities Development - Project Management	High	High
OSFSS	Facilities Maintenance - Repair & Maintenance Operations	High	High
OSFSS	School Food Services - Fiscal Management	High	High
OSFSS	Student Transportation Services	High	High
OHR	Labor Relations	Medium	High
OHR	Performance Management & Evaluations	High	High
OHR	Recruitment & Hiring	High	High
OHR	Workers' Compensation	Medium	High
OSIP	Assessment and Accountability Branch (Previously was Student Assessment)	High	High
OFS	Fixed Assets & Inventory	High	High
OFS	Leave Accounting	High	High
OFS	Procurement & Contracting	High	High
OCISS	Curriculum and Instruction (Previously was part of the old School Literacy Improvement and Innovation, Special Education, School Improvement Team, and School Renewal & Redesign)	High	High
OCISS	Extended Learning and Educational Technology (Previously was part of the old Extended Learning Opportunities & Student Support)	High	High
OCISS	P-20 (Pre-School through 20 (grades)) (Previously was part of the old Extended Learning opportunities & Student Support, and School Literacy Improvement & Innovation)	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	High	High
OITS	Privacy & Data Protection	High	High
OITS	Systems Development (SDLC)	High	High

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Introduction & Overview – Risk Evaluation

The following table represents the remaining risk ratings for the **DOE State Office**. 28 auditable areas are considered *medium risk*.

Office	Auditable Areas	2013 Final Risk Rating	2014 Final Risk Rating
OS	Hawaiian Education Programs	Medium	Medium
OS	Program Administration & Technical Assistance (New)	N/A	Medium
ODS	Educator Effectiveness System Branch (Came over from OHR - previously was part of Personnel Development Branch, but it is technically a new branch)	Medium	Medium
ODS	School Transformation (Came over from OCISS - previously was part of Special Programs Management Section, but it is technically a new branch)	Low	Medium
OSFSS	Facilities Maintenance - Purchasing Services	Low	Medium
OSFSS	Project Control	Medium	Medium
OSFSS	Safety, Security & Emergency Preparedness Program	Medium	Medium
OSFSS	School Food Services - Commodity Distribution	Medium	Medium
OHR	Classification & Compensation	Medium	Medium
OHR	Employee Training & Development	Medium	Medium
OHR	Investigations (New)	N/A	Medium
OHR	Negotiations	Medium	Medium
OSIP	Data Governance and Application Branch (Broke Out Auditable Area)	N/A	Medium
OSIP	Policy, Planning, Innovation and Evaluation Branch (Previously was part of System Evaluation & Reporting, Systems Planning & Improvement, Project Management, Federal Reporting, and Strategic Plan Oversight)	Low	Medium
OFS	Accounting Systems Unit (New)	N/A	Medium
OFS	Budget Execution, Management & Monitoring	Medium	Medium
OFS	Budget Preparation	Medium	Medium
OFS	Operations Systems Unit (New)	N/A	Medium
OFS	Payroll	High	Medium
OFS	Reporting, Analysis & Reconciliation	Medium	Medium
OFS	Vendor Payments	Medium	Medium
OCISS	Professional Development (Previously was part of the old School Literacy Improvement and Innovation, School Improvement Team, and School Renewal & Redesign)	Medium	Medium
OCISS	Student Support (Previously was part of the old Extended Learning Opportunities & Student Support, Comprehensive Student Support, School Improvement Team, Special Education, and Athletics)	Medium	Medium
OITS	Data Retention/Backup	Medium	Medium
OITS	Problem Management (Centralized Service Desk)	Medium	Medium
OITS	Information Technology Project Management (Previously was Project Management Branch)	Medium	Medium
OITS	Security Configuration Management	Medium	Medium
OITS	Threat & Vulnerability Management	Medium	Medium

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Introduction & Overview – Risk Evaluation

The following table represents the remaining risk ratings for the **DOE State Office**. 28 auditable areas are considered *low* risk.

Office	Auditable Areas	2013 Final Risk Rating	2014 Final Risk Rating
OS	Administrative Assistant Office (New)	N/A	Low
OS	Civil Rights Investigations & Compliance	Low	Low
OS	Communications Services	Low	Low
OS	Community Engagement (Previously was Community Children's Council Office)	Low	Low
OS	Internal Audits & Fiscal Investigations	Low	Low
OS	Litigation Coordination (To be Removed)	Low	N/A
OSFSS	Auxiliary Services	Low	Low
OSFSS	Environmental Services Unit	Low	Low
OSFSS	Facilities Development - Business Services Section (New)	N/A	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 (To be Removed)	Low	N/A
OSFSS	Reprographics Section	Low	Low
OSFSS	Risk Management (To be Removed)	Low	N/A
OSFSS	School Food Services - Technical Support	Low	Low
OHR	Classified Pros (Broke Out Auditable Area)	N/A	Low
OHR	Certificated Pros (Broke Out Auditable Area)	N/A	Low
OHR	Health Benefits & Awards	Low	Low
OHR	Induction and Monitoring (New)	N/A	Low
OHR	Management Support Services	Low	Low
OHR	Professional Development & Educational Research Institute (Previously was Educational Research Institute)	Low	Low
OHR	Professional Development Section (New)	N/A	Low
OHR	Records & Transactions Section (Previously was Personnel Record Maintenance)	Low	Low
OFS	Cash Management	Low	Low
OFS	Health Care Contracts & Reimbursement (To be Removed)	Low	N/A
OFS	Office of Hawaii Child Nutrition Programs	Low	Low
OITS	Applications/Database Management	Low	Low
OITS	Change & Patch Management (Applications, Databases, & Infrastructure)	Low	Low
OITS	Changes to Applications	Low	Low
OITS	IT Governance	Low	Low
OITS	Special Programs	Low	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	2013 Final Risk Rating	2014 Final Risk Rating
Cafeteria	High	High
Casual Hire & Casual Substitute	High	High
Inventory	High	High
IT Coordination	High	High
Leave Accounting	High	High
Procurement & Fiscal	High	High
Special Education, ELL & 504	High	High
Student Instruction	High	High
Homeless Concerns	Medium	Medium
Safety, Security & Emergency Preparedness Program	Low	Medium
Training & Development	Medium	Medium
After School Programs	Low	Low
Athletics	Low	Low
Budget Academic & Financial Planning & Compliance ACFIN	Low	Low
Groundskeeping, Custodial Services	Low	Low
Registrar	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 section/branch 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 41 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 the first 2½ years from January 1, 2012 – June 30, 2014 (**Year 1 & 2**) of the Audit Plan, IA worked on 16 (**11 assurance** and **5 consulting & monitoring**) of the 42 projects identified as high risk or for which there were specific concerns. The Re-Assessment of the Audit Plan will include the remaining **25 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

Data Access Controls Review	School Food Services Follow-Up Review	Investigations (Annual)
Student Assessment Administration Review – Phase I	Capital Construction Oversight and Management Implementation Follow-Up	Baseline Assurance & Monitoring Projects (Annual)
Workers' Compensation Review	Payroll Follow-Up Review	Procurement & Contracting Process Review (FY 2012)
Fixed Assets Management Review	Student Assessment Administration Review - Phase II	Casual Hire Personnel Recruitment, Hiring & Payroll Processes Review (FY 2012)
Post-RTTT Project Management Review	Equipment and Fleet Maintenance Follow-Up Review	School Food Services Review (FY 2013)
Federal Compliance Review	Change and Patch Management Review	Data Integrity Review – Student Enrollment (FY 2013)
Procurement & Contracting Process Follow-Up Review	Program Design and Management Review of Extended Learning	School Monitoring Program – Phase I (Removal approved by Audit Committee at the September 4, 2012 meeting)
P20 Longitudinal Data System - Post-Implementation Review	Labor Relations Review	Operational Review of the English Language Learner Programs (Removal approved by Audit Committee at the June 4, 2012 meeting)
Casual Hire Personnel Recruitment, Hiring & Payroll Processes Follow-Up Review	Disaster Recovery Review	eHR Post-Implementation Review (FY 2013)
Governance & Ethics Review	Use of Facilities Review	Information Technology Privacy Review (FY 2014)
Student Transportation Services Implementation Follow-Up on External Consulting Reports	ACL Audit Tool Development (Annual)	Leave Accounting Follow-Up Review (FY 2014)
Performance Evaluations Post-Implementation Review	Fraud & Ethics Hotline – Confidential Reporting Mechanism (Annual)	Payroll Review (FY 2014)
Network Infrastructure Review	Internal Control & Operational Efficiency Consulting Projects (Annual)	Equipment and Fleet Maintenance Review (FY 2014)
Data Integrity Follow-Up Review – Student Enrollment		
Operational Review of the Special Education Section		



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 detailed below and on the next page were noted to the prior year's auditable areas, with brief descriptions for the changes.

Auditable Areas	Office	Changes
New Auditable Areas		
Administrative Assistant Office	OS	Addition to the Office of the Superintendent
Program Administration & Technical Assistance	OS	Addition to the Office of the Superintendent
Facilities Development Branch - Business Services Section	OSFSS	Addition to the Office of School Facilities and Support Services
Professional Development Section	OHR	Addition to the Office of Human Resources
Induction and Monitoring	OHR	Addition to the Office of Human Resources
Investigations	OHR	Addition to the Office of Human Resources
Accounting Systems Unit	OFS	Addition to the Office of Fiscal Services
Operations Systems Unit	OFS	Addition to the Office of Fiscal Services
Office/Name Changes to Auditable Areas		
Hawaiian Education Programs	OS	Moved from the Office of Curriculum Instruction & Student Support
Educator Effectiveness System	ODS	Moved from the Office of Human Resources
School Transformation	ODS	Moved from the Office of Curriculum Instruction & Student Support
Policy, Planning, Innovation and Evaluation Branch	OSIP	Moved from the Office of the Superintendent and prior year's Office of Strategic Reform
Assessment and Accountability Branch	OSIP	Moved from the Office of the Superintendent
Data Governance and Application Branch	OSIP	Moved from the Office of the Superintendent

Note: Office of Strategy, Innovation, and Performance is a new office created in 2014 to reorganize the Offices of Strategic Reform, Systems Accountability and Data Governance.



Summary of Changes to Auditable Areas

Continuation of changes to the prior year's auditable areas, with brief descriptions for the changes.

Auditable Areas	Office	Changes
Changes to Risk Rating		
Labor Relations	OHR	Increased from "Medium" to "High" Risk
Workers' Compensation	OHR	Increased from "Medium" to "High" Risk
School Transformation	ODS	Increased from "Low" to "Medium" Risk
Facilities Maintenance Branch - Purchasing Services	OSFSS	Increased from "Low" to "Medium" Risk
Policy, Planning, Innovation and Evaluation Branch	OSIP	Increased from "Low" to "Medium" Risk
Safety, Security & Emergency Preparedness Program	Complex Areas/ Schools	Increased from "Low" to "Medium" Risk
Payroll	OFS	Decreased from "High" to "Medium" Risk
Auditable Area to be Removed		
Litigation Coordination	OS	Removed - under Administrative Assistant Office in the Office of the Superintendent
Loss & Casualty Claims Management	OSFSS	Removed - under Safety, Security, & Emergency Preparedness Program in the Office of School Facilities and Support Services
Risk Management	OSFSS	Removed - under Safety, Security, & Emergency Preparedness Program in the Office of School Facilities and Support Services
Health Care Contracts & Reimbursement	OFS	Removed - under Program Administration & Technical Assistance in the Office of the Superintendent



Summary of Changes to the Audit Plan

As a result of the re-evaluation process:

- Eight (8) new projects were added
- The rest of the projects were rescheduled

The following summary displays the new projects and years 3 and 4 of the rescheduled projects for the Audit Plan.

Project	Timing	Est. Hrs.	Proposed Change
New Projects			
Workers' Compensation Review	Q2 FY 2015	720	Addition to Q2 FY 2015
Procurement & Contracting Process Follow-Up Review*	Q1 FY 2016	350	Addition to Q1 FY 2016
Casual Hire Personnel Recruitment, Hiring & Payroll Processes Follow-Up Review*	Q2 FY 2016	350	Addition to Q2 FY 2016
Data Integrity Follow-Up Review - Student Enrollment*	Q2 FY 2017	350	Addition to Q2 FY 2017
School Food Services Follow-Up Review*	Q4 FY 2017	350	Addition to Q4 FY 2017
Payroll Follow-Up Review*	Q1 FY 2018	350	Addition to Q1 FY 2018
Equipment and Fleet Maintenance Follow-Up Review*	Q3 FY 2018	350	Addition to Q3 FY 2018
Labor Relations Review	Q1 FY 2019	490	Addition to Q1 FY 2019
Proposed Changes to Existing Projects for Years 3 and 4			
Data Access Controls Review	Q1 FY 2015	420	Moved from Q1 FY 2017
Fixed Assets Management Review	Q3 FY 2015	700	Moved from Q3 FY 2016
P20 Longitudinal Data System - Post-Implementation Review	Q2 FY 2016	420	Moved from Q1 FY 2016
Governance & Ethics Review	Q3 FY 2016	490	Moved from Q3 FY 2015
Student Transportation Services Implementation Follow-Up on External Consulting Reports	Q4 FY 2016	700	Moved from Q2 FY 2016

* Follow-Up Reviews on previously issued reports with a "Marginal" or "Unacceptable" rating



PROPOSED UPDATED INTERNAL AUDIT PLAN



Internal Audit Plan

The following represents the detailed Internal Audit Plan which covers the period July 1, 2014 through June 30, 2015 (Year 3).

Internal Audit Plan Period: July 1, 2014 through June 30, 2015 – Year 3

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. <i>PRIMARY FOCUS: Information Technology</i>	OITS <i>Identity & Access Management</i>	Access Risk Security Risk Integrity Risk	Q1 FY 2015	420
Student Assessment Administration Review - Phase I				
Review of the Assessment and Accountability Branch'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>	OSIP <i>Assessment and Accountability Branch</i>	Integrity Risk Security Risk Compliance Risk Access Risk Alignment Risk	Q1 FY 2015	560
Workers' Compensation Review				
Evaluate the Department's compliance with policies, procedures, and applicable laws and regulations for workers' compensation. Ensure that workers' compensation information is accurate and reliable. Test the design and operating effectiveness of the Department's internal controls over the workers' compensation process and provide efficiency and effectiveness recommendations. <i>PRIMARY FOCUS: Operational/Compliance</i>	OHR <i>Workers' Compensation</i>	Compliance Risk Efficiency Risk Human Resources Risk Integrity Risk	Q2 FY 2015	720



Internal Audit Plan

Internal Audit Plan: Year 3 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
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. <i>PRIMARY FOCUS: Financial</i>	OFS <i>Fixed Assets & Inventory</i> Schools <i>Inventory</i>	Authority/Limit Risk Efficiency Risk Performance Gap Risk	Q3 FY 2015	700
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. <i>PRIMARY FOCUS: Operational/Compliance</i>	OSIP <i>Policy, Planning, Innovation and Evaluation Branch</i>	Compliance Risk Planning Risk Alignment Risk Opportunity Cost Risk Communications Risk	Q4 FY 2015	560
Baseline Assurance Projects				
Local School Fund Audits, School Monitoring Reviews, P-Card Reviews, and other.			Throughout	1,250
TOTAL PROPOSED ASSURANCE HOURS: FY 2015				4,210

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
ACL Audit Tool Development				
Design a continuous control monitoring tool utilizing ACL to analyze and query P-Card, purchasing, receiving, vendor management, accounts payable transactions and/or other business functions.	Various	Accounting Information Risk	Q1 FY 2015	250
Internal Control & Operational Efficiency Consultation				
Provide consulting services to the Department for internal control planning and operational improvement initiatives.	Various	Alignment Risk Efficiency Risk	Throughout	400
TOTAL PROPOSED IA CONSULTING HOURS: FY 2015				1,450

Internal Audit Plan



Internal Audit Plan: Year 3 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
IA CONSULTING, MONITORING, 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				
Special Project - Cancelled Check Reviews, Annual Checklist Monitoring, and other.			Throughout	1,250
Function Administration FY 2015				
Reporting and Communication			Throughout	400
Risk Assessment Re-evaluation & Audit Plan for FY 2016 (Update)			Q4 FY 2015	350
External, State, Attorney General, Legislative & Consultant Audit/Review/Investigation Coordination			Throughout	650
Other Administration including budget preparation, meetings and other			Throughout	1330
TOTAL PROPOSED INVESTIGATIONS & OTHER HOURS: FY 2015				6,480
TOTAL OUTSIDE CONSULTING (SME) HOURS: FY 2015				230
TOTAL PROPOSED HOURS: FY 2015				12,370



Internal Audit Plan

The following represents the detailed Internal Audit Plan which covers the period July 1, 2015 through June 30, 2016 (Year 4).

Internal Audit Plan Period: July 1, 2015 through June 30, 2016 – Year 4

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. <i>PRIMARY FOCUS: Compliance</i>	OS <i>Compliance and Monitoring</i>	Compliance Risk Leadership Risk Knowledge Capital Risk Alignment Risk	Q1 FY 2016	560
Procurement & Contracting Process Follow-Up Review				
Follow-up to Internal Audit's Procurement & Contracting Processes Review to assess the implementation of Management's Plans as described in the Final Report (2012). This follow-up review will also consider relevant findings and recommendations of the Consolidated Report of Procurement Cards ("P-Cards") Review (2013). <i>PRIMARY FOCUS: Compliance/Financial</i>	OFS <i>Procurement & Contracting</i> Schools <i>Procurement and Fiscal</i>	Compliance Risk Efficiency Risk Performance Gap Risk Change Readiness Risk	Q1 FY 2016	350
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. <i>PRIMARY FOCUS: Information Technology</i>	OITS <i>Systems Development</i>	Integrity Risk Access Risk Infrastructure Risk	Q2 FY 2016	420



Internal Audit Plan

Internal Audit Plan: Year 4 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
Casual Hire Personnel Recruitment, Hiring & Payroll Processes Follow-Up Review				
Follow-up to Internal Audit's Casual Hire Personnel Recruitment, Hiring & Payroll Processes Review to assess the implementation of Management's Plans as described in the Final Report (2012).	OHR <i>Recruitment & Hiring</i>	Organizational Culture Risk Human Resources Risk Performance Gap Risk Knowledge Capital Risk Alignment Risk	Q2 FY 2016	350
<i>PRIMARY FOCUS: Operational</i>				
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	Q3 FY 2016	490
<i>PRIMARY FOCUS: Operational/Compliance</i>				
Student Transportation Services Implementation Follow-Up on External Consulting Reports				
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 FY 2016	700
<i>PRIMARY FOCUS: Operational/Compliance</i>				
Baseline Assurance Projects				
Local School Fund Audits, School Monitoring Reviews, P-Card Reviews, and other.			Throughout	1,250
TOTAL PROPOSED ASSURANCE HOURS: FY 2016				4,120

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
ACL Audit Tool Development				
Design a continuous control monitoring tool utilizing ACL to analyze and query P-Card, purchasing, receiving, vendor management, accounts payable transactions and/or other business functions.	Various	Accounting Information Risk	Q1 FY 2016	250
Internal Control & Operational Efficiency Consultation				
Provide consulting services to the Department for internal control planning and operational improvement initiatives.	Various	Alignment Risk Efficiency Risk	Various	400
TOTAL PROPOSED IA CONSULTING HOURS: FY 2016				1,450

Internal Audit Plan



Internal Audit Plan: Year 4 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
IA CONSULTING, MONITORING, 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				
Special Project - Cancelled Check Reviews, Annual Checklist Monitoring, and other.			Throughout	1,250
Function Administration FY 2016				
Reporting and Communication			Throughout	300
Risk Assessment Re-evaluation & Audit Plan for FY 2017			Q4 FY 2016	840
External, State, Attorney General, Legislative & Consultant Audit/Review/Investigation Coordination			Throughout	600
Other Administration including budget preparation, meetings and other			Throughout	1000
TOTAL PROPOSED INVESTIGATIONS & OTHER HOURS: FY 2016				6,490
TOTAL OUTSIDE CONSULTING (SME) HOURS: FY 2016				230
TOTAL PROPOSED HOURS: FY 2016				12,290



Internal Audit Plan

The following represents the detailed Internal Audit Plan which covers the period July 1, 2016 through June 30, 2017 (Year 5).

Internal Audit Plan Period: July 1, 2016 through June 30, 2017 – Year 5

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
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. <i>PRIMARY FOCUS: Information Technology</i>	OHR <i>Performance Management & Evaluations</i>	Integrity Risk Access Risk Security Risk	Q1 FY 2017	490
Network Infrastructure Review				
Review of network architecture, security configuration, operations management, and monitoring procedures to ensure mitigation of confidentiality, integrity, and availability risks. <i>PRIMARY FOCUS: Information Technology</i>	OITS <i>Infrastructure Maintenance</i> Schools <i>IT Coordination</i>	Availability Risk Integrity Risk Security Risk Infrastructure Risk Capital Availability Risk	Q1 FY 2017	630
Data Integrity Follow-Up Review - Student Enrollment				
Follow-up to Internal Audit's Data Integrity Review - Student Enrollment to assess the implementation of Management's Plans as described in the Final Report (2013). <i>PRIMARY FOCUS: Information Technology/Operational</i>	OITS <i>Information Management</i>	Integrity Risk Access Risk Alignment Risk	Q2 FY 2017	350



Internal Audit Plan

Internal Audit Plan: Year 5 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
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. <i>PRIMARY FOCUS: Operational</i>	OCISS <i>Curriculum and Instruction, Student Support</i> Schools <i>Special Education, ELL & 504</i>	Efficiency Risk Leadership Risk Authority/Limit Risk Communication Risk Knowledge Capital Risk Alignment Risk	Q3 FY 2017	560
School Food Services Follow-Up Review				
Follow-up to Internal Audit's School Food Services Review to assess the implementation of Management's Plans as described in the Final Report (2013). <i>PRIMARY FOCUS: Operational/Financial</i>	OSFSS <i>School Food Services - Fiscal Management</i>	Authority/Limit Risk Efficiency Risk Performance Gap Risk	Q4 FY 2017	350
Baseline Assurance Projects				
Local School Fund Audits, School Monitoring Reviews, P-Card Reviews, and other.			Throughout	1,750
TOTAL PROPOSED ASSURANCE HOURS: FY 2017				4,130

Internal Audit Plan



Internal Audit Plan: Year 5 (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
ACL Audit Tool Development				
Design a continuous control monitoring tool utilizing ACL to analyze and query P-Card, purchasing, receiving, vendor management, accounts payable transactions and/or other business functions.	Various	Accounting Information Risk	Q1 FY 2017	250
Internal Control & Operational Efficiency Consultation				
Provide consulting services to the Department for internal control planning and operational improvement initiatives.	Various	Alignment Risk Efficiency Risk	Various	400
TOTAL PROPOSED IA CONSULTING HOURS: FY 2017				1,450

Internal Audit Plan



Internal Audit Plan: Year 5 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
IA CONSULTING, MONITORING, 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	2,750
Baseline Monitoring Projects				
Special Project - Cancelled Check Reviews, Annual Checklist Monitoring, and other.			Throughout	1,250
Function Administration FY 2017				
Reporting and Communication			Throughout	300
Risk Assessment Re-evaluation & Audit Plan for FY 2018 (Update)			Q4 FY 2017	350
External, State, Attorney General, Legislative & Consultant Audit/Review/Investigation Coordination			Throughout	600
Other Administration including budget preparation, meetings and other			Throughout	1,250
TOTAL PROPOSED INVESTIGATIONS & OTHER HOURS: FY 2017				6,500
TOTAL OUTSIDE CONSULTING (SME) HOURS: FY 2017				230
TOTAL PROPOSED HOURS: FY 2017				12,310



Internal Audit Plan

The following represents the detailed Internal Audit Plan which covers the period July 1, 2017 through June 30, 2018 (Year 6).

Internal Audit Plan Period: July 1, 2017 through June 30, 2018 – Year 6

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
Capital Construction Oversight and Management 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 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: <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>	OSFSS Planning Project Management Construction Management	Performance Gap Risk Budget & Planning Risk Efficiency Risk Scalability Risk Knowledge Capital Risk Alignment Risk Capital Availability Risk	Q1 FY 2018	700
Payroll Follow-Up Review				
Follow-up to Internal Audit's Payroll Review to assess the implementation of Management's Plans as described in the Final Report (2014).	OFS Payroll	Compliance Risk Efficiency Risk Cycle Time Risk Change Readiness Risk Organizational Structure Risk	Q1 FY 2018	350
PRIMARY FOCUS: Operational/Financial				



Internal Audit Plan

Internal Audit Plan: Year 6 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
Student Assessment Administration Review - Phase II				
<p>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 Assessment and Accountability Branch. 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.</p> <p>PRIMARY FOCUS: Operational</p>	<p>OSIP Assessment and Accountability Branch</p>	<p>Integrity Risk Security Risk Access Risk Compliance Risk</p>	<p>Q2 FY 2018</p>	<p>630</p>
Equipment and Fleet Maintenance Follow-Up Review				
<p>Follow-up to Internal Audit's Equipment and Fleet Maintenance Review to assess the implementation of Management's Plans as described in the Final Report (2014).</p> <p>PRIMARY FOCUS: Operational/Financial</p>	<p>OSFSS Repair & Maintenance Operations</p>	<p>Budget & Planning Risk Efficiency Risk Performance Gap Risk Alignment Risk</p>	<p>Q3 FY 2018</p>	<p>350</p>
Change and Patch Management Review				
<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 Change & Patch Management</p>	<p>Integrity Risk Access Risk</p>	<p>Q3 FY 2018</p>	<p>490</p>



Internal Audit Plan

Internal Audit Plan: Year 6 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
<p>Program Design and Management Review of Extended Learning Evaluate the design, oversight, training and monitoring of educational programs throughout the Extended Learning and Educational Technology, P-20 and Student Support Branch. Determine if Branches procedures and standards of practice are effectively shared among all of the program managers.</p> <p><i>PRIMARY FOCUS: Operational</i></p> <p>Baseline Assurance Projects Local School Fund Audits, School Monitoring Reviews, P-Card Reviews, and other.</p>	<p>OCISS <i>Extended Learning, P-20, Student Support</i></p> <p>Schools <i>Student Instruction</i></p>	<p>Efficiency Risk Leadership Risk Performance Gap Risk Alignment Risk</p>	<p>Q4 FY 2018</p> <p>Throughout</p>	<p>560</p> <p>1,500</p>
TOTAL PROPOSED ASSURANCE HOURS: FY 2018				3,880
Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
IA CONSULTING, MONITORING, INVESTIGATIONS & OTHER				
<p>Follow-Up Monitoring Based on Management Action Plans Follow-up on management action plans to the observations noted in the completed reviews.</p> <p>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.</p>	<p>Various</p> <p>OS</p>	<p>Alignment Risk Efficiency Risk</p> <p>Organizational Culture Risk Leadership Risk</p>	<p>Throughout</p> <p>Throughout</p>	<p>500</p> <p>300</p>



Internal Audit Plan

Internal Audit Plan: Year 6 (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, accounts payable transactions and/or other business functions.	Various	Accounting Information Risk	Q1 FY 2018	250
Internal Control & Operational Efficiency Consultation Provide consulting services to the Department for internal control planning and operational improvement initiatives.	Various	Alignment Risk Efficiency Risk	Various	400
TOTAL PROPOSED IA CONSULTING HOURS: FY 2018				1,450
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	2,800
Baseline Monitoring Projects Special Project - Cancelled Check Reviews, Annual Checklist Monitoring, and other.			Throughout	1,500
Function Administration FY 2018 Reporting and Communication			Throughout	300
Risk Assessment Re-evaluation & Audit Plan for FY 2019 (Update)			Q4 FY 2018	350
External, State, Attorney General, Legislative & Consultant Audit/Review/Investigation Coordination			Throughout	600
Other Administration including budget preparation, meetings and other			Throughout	1,250
TOTAL PROPOSED INVESTIGATIONS & OTHER HOURS: FY 2018				6,800
TOTAL OUTSIDE CONSULTING (SME) HOURS: FY 2018				230
TOTAL PROPOSED HOURS: FY 2018				12,360



Internal Audit Plan

The following represents the detailed Internal Audit Plan which covers the period July 1, 2018 through June 30, 2019 (Year 7).

Internal Audit Plan Period: July 1, 2018 through June 30, 2019 – Year 7

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
Labor Relations Review				
Review the Department's compliance with applicable laws and regulations for labor relations. Evaluate the strengths and weaknesses of personnel policies and procedures. Test the design and operating effectiveness of the Department's internal controls over the labor relation's process and provide efficiency and effectiveness recommendations. <i>PRIMARY FOCUS: Operational/Compliance</i>	OHR <i>Labor Relations</i>	Compliance Risk Efficiency Risk Human Resources Risk Integrity Risk	Q1 FY 2019	490
Disaster Recovery Review				
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. <i>PRIMARY FOCUS: Information Technology</i>	OITS <i>Disaster Recovery</i>	Integrity Risk Technological Innovation Risk Security Risk Infrastructure Risk	Q2 FY 2019	490
Use of Facilities Review				
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. <i>PRIMARY FOCUS: Operational/Financial</i>	OSFSS <i>Repair & Maintenance Operations</i>	Compliance Risk Efficiency Risk Change Readiness Risk Authority/Limit Risk Planning Risk	Q3 FY 2019	700



Internal Audit Plan

Internal Audit Plan: Year 7 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
ASSURANCE				
Follow-Up Reviews				
Follow-up on previously issued Internal Audit reviews to assess the implementation of management's plans as described in the respective reports.			Throughout	700
Baseline Assurance Projects				
Local School Fund Audits, School Monitoring Reviews, P-Card Reviews, and other.			Throughout	1,500
TOTAL PROPOSED ASSURANCE HOURS: FY 2019				3,880

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 7 (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, accounts payable transactions and/or other business functions.	Various	Accounting Information Risk	Q1 FY 2019	250
Internal Control & Operational Efficiency Consultation Provide consulting services to the Department for internal control planning and operational improvement initiatives.	Various	Alignment Risk Efficiency Risk	Various	400
TOTAL PROPOSED IA CONSULTING HOURS: FY 2019				1,450
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	2,750
Baseline Monitoring Projects Special Project - Cancelled Check Reviews, Annual Checklist Monitoring, and other.			Throughout	1,250

Internal Audit Plan



Internal Audit Plan: Year 7 (continued)

Project	Auditable Area(s)	Risk(s)	Timing	Est. Hrs.
IA CONSULTING, MONITORING, INVESTIGATIONS & OTHER				
Function Administration FY 2019				
Reporting and Communication			Throughout	300
Risk Assessment Re-evaluation & Audit Plan for FY 2020			Q4 FY 2019	600
External, State, Attorney General, Legislative & Consultant Audit/Review/Investigation Coordination			Throughout	600
Other Administration including budget preparation, meetings and other			Throughout	1,250
TOTAL PROPOSED INVESTIGATIONS & OTHER HOURS: FY 2019				6,750
TOTAL OUTSIDE CONSULTING (SME) HOURS: FY 2019				230
TOTAL PROPOSED HOURS: FY 2019				12,310
TOTAL PROPOSED INTERNAL AUDIT PLAN HOURS: July 1, 2014 - June 30, 2019				61,640



PROPOSED UPDATED INTERNAL AUDIT PLAN SCHEDULE



Internal Audit Plan Schedule

The charts 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: July 1, 2014 through June 30, 2015 – Year 3

PROJECT	Q1 FY 2015			Q2 FY 2015			Q3 FY 2015			Q4 FY 2015		
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
IA Assurance												
Data Access Controls Review	◆──────────◆											
Student Assessment Administration Review - Phase I		◆──────────◆										
Workers' Compensation Review				◆──────────◆								
Fixed Assets Management Review							◆──────────◆					
Post - RTTT Project Management 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 (Update)											◆──────────◆	

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

* Follow-Up Reviews on previously issued reports with a "Marginal" or "Unacceptable" rating



Internal Audit Plan Schedule

Internal Audit Plan Period: July 1, 2015 through June 30, 2016 – Year 4

PROJECT	Q1 FY 2016			Q2 FY 2016			Q3 FY 2016			Q4 FY 2016		
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Assurance												
Federal Compliance Review	◆											
Procurement & Contracting Process Follow-Up Review*		◆	◆									
P20 Longitudinal Data System - Post-Implementation Review					◆	◆						
Casual Hire Personnel Recruitment, Hiring & Payroll Processes Follow-Up Review*						◆	◆					
Governance & Ethics Review							◆	◆				
Student Transportation Services Implementation Follow-Up on External Consulting Reports										◆	◆	
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

* Follow-Up Reviews on previously issued reports with a "Marginal" or "Unacceptable" rating



Internal Audit Plan Schedule

Internal Audit Plan Period: July 1, 2016 through June 30, 2017 – Year 5

PROJECT	Q1 FY 2017			Q2 FY 2017			Q3 FY 2017			Q4 FY 2017		
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Assurance												
Performance Evaluations Post-Implementation Review	◆		◆									
Network Infrastructure Review			◆	◆								
Data Integrity Follow-Up Review - Student Enrollment*					◆	◆						
Operational Review of the Special Education Section							◆	◆				
School Food Services 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 (Update)											◆	

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

* Follow-Up Reviews on previously issued reports with a "Marginal" or "Unacceptable" rating



Internal Audit Plan Schedule

Internal Audit Plan Period: July 1, 2017 through June 30, 2018 – Year 6

PROJECT	Q1 FY 2018			Q2 FY 2018			Q3 FY 2018			Q4 FY 2018		
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Assurance												
Capital Construction Oversight and Management Implementation Follow-Up	◆————◆											
Payroll Follow-Up Review*			◆————◆									
Student Assessment Administration Review - Phase II				◆————◆								
Equipment and Fleet Maintenance Follow-Up Review*							◆————◆					
Change and Patch Management Review								◆————◆				
Program Design and Management Review of Extended Learning										◆————◆		
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 (Update)											◆————◆	

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

* Follow-Up Reviews on previously issued reports with a "Marginal" or "Unacceptable" rating



Internal Audit Plan Schedule

Internal Audit Plan Period: July 1, 2018 through June 30, 2019 – Year 7

PROJECT	Q1 FY 2019			Q2 FY 2019			Q3 FY 2019			Q4 FY 2019		
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Assurance												
Labor Relations Review	◆————◆											
Disaster Recovery Review				◆————◆								
Use of Facilities Review							◆————◆					
Follow-Up Reviews	◆————◆											
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