

Risk Assessment and Audit Plan Fiscal Year 2019



The Savannah-Chatham County Internal Audit Department office was established by a resolution of the Board of Education in 1991 and updated in 1997.

Internal Audit performs academic audits, financial audits, operational audits and control self assessments of the various academic programs, departments and school sites within the District. The Internal Audit Department reports to the President of the Savannah-Chatham County Board of Education through the Audit Committee and its Chairperson. Our audits are conducted in accordance with the Government Auditing Standards.

The Internal Audit Department's goals include testing and strengthening internal controls, and providing the Board and the District with objective independent analyses of how well academic programs and District operations are functioning.

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Introduction

The purposes of the FY19 Internal Audit Department's audit plan are:

- To promote SCCPSS achievement of its strategic goals, as defined in the District's Accountability System.
- To review identified risks of whether the ongoing processes for SCCPSS are adequately designed, functioning in an efficient, effective manner, and fully accountable to SCCPSS and the citizens of Chatham County.

Internal Audit conducts an independent risk assessment per the department's audit manual. The risk assessment should be conducted at least every three years, but updated on a continuous basis as factors affecting risks are identified. The Internal Audit Department has conducted yearly risk assessments for the past several years. Risk assessments should consider not only quantifiable factors, such as size, audit frequency and dollars, but also more qualitative factors, such as the internal control environment and the risks of failing to accomplish Board goals. Based upon the risk assessment results, Internal Audit develops its annual audit plan.

The District's audit plan is to be developed each year, with priorities based on the risk assessment. Audit plans are approved by the Audit Committee each year, and then approved by the Board. Audit plans are designed to include not only audits, but also projects or unforeseen requests by District management.

Regular reports showing progress against the audit plan are submitted to the Audit Committee. The format of audit plan status reports shows some measure of progress, such as staff days against budgeted staff days, and accounts for all Internal Audit staff time, including administrative time.

This plan is exclusive of any program evaluations performed in Fiscal 2019.

Detailed Procedures Performed

Internal Audit prepared the FY19 Risk Assessment by carrying out the following procedures:

Identification of potential audit topics

- Acquired information throughout the year from sources such as SCCPSS training events, regular School Board meetings, School Board Committee meetings/work sessions, media reports, and surveys of employees.
- Held discussions with the District’s management to determine areas of risk they have identified and obtain feedback on specific areas being considered for audit.
- Conducted a financial analysis to determine usage of budget spent, amount of funds spent, areas of money spent, and change in management.

FY 2019 Audit Plan

The following narrative provides background information on each of the FY19 Primary Audit Priorities.

	Definition
Compliance Audits	Conducted to ensure adherence to policies, plans, procedures, laws, regulations, or other requirements.
Performance Audits	Conducted to ensure the identified area is adhering to federal, state, and local laws, policies, and regulation; is working in an effective and efficient manner to ensure District goals and objectives are being met and/or maintained; Management reporting is accurate and reliable, and the District’s assets are safeguarded.

1. Carryover from FY18 – Audit of School Site Financial Operations

Performance Audit

During FY18, the Internal Audit Department began the Audit of School Site Financial Operations. The objectives of the audit include auditing for compliance with Board policy and procedures as it pertains to the financial operations within a school setting, determine the effectiveness of the identified policies and procedures, and reviewing/appraising the school site financial operations. During the initial survey of the audit, we determined the scope needed to include additional areas than initially identified. As a result, the audit needs to be expanded to address these areas.

2. Business Process Reviews

Compliance Audits

Internal Audit has scheduled Business Process Reviews for the following schools in July – September 2018. These are due to a change in principal or not having a review for the past three years. The following schools will be reviewed:

- Coastal Georgia Comprehensive Academy
- Coastal Middle School
- East Broad K-8 School
- Ellis Montessori K-8 School
- Garden City Elementary School
- Ester F. Garrison School for the Arts K-8 School
- Georgetown K-8 School
- Hodge Elementary School
- Isle of Hope K-8 School
- Herschel Jenkins High School
- Massie Heritage Center
- Mercer Middle School
- Port Wentworth Elementary School, K-2
- Pulaski Elementary School
- Rice Creek 3-8 School
- Shuman Elementary School
- Andrea B. Williams Elementary School
- West Chatham Elementary School
- White Bluff Elementary School
- Windsor Forest Elementary School

3. ESPLOST Audits

Compliance Audit

Two schools will be reviewed for ESPLOST funds. They are Andrea B. Williams Elementary School and School of Humanities at Low Elementary. The ESPLOST audits of additions/modifications or other areas will be performed at the discretion of the Internal Audit Department or at the request of the Operations Division.

4. Contract Audits

Compliance Audit

We reviewed disbursement reports in order of dollars spent, number of transactions, average cost per invoice, and timing of payment. Based on our review, we determined Scholastic Inc., and Office Services (FFE) as the vendor contracts for review.

5. Use of Substitutes and Teacher Absences

Performance Audit

The scope of this audit will include reviewing the District costs of substitutes, reasons for the need of substitutes and determining ways the District is mitigating the need. We will look at teacher's absences and reasons for the absence and identify risks to the educational welfare of students due to the identified absence levels. We will identify national averages of comparative school districts along with other school districts within Georgia.

6. Student Discipline Practices

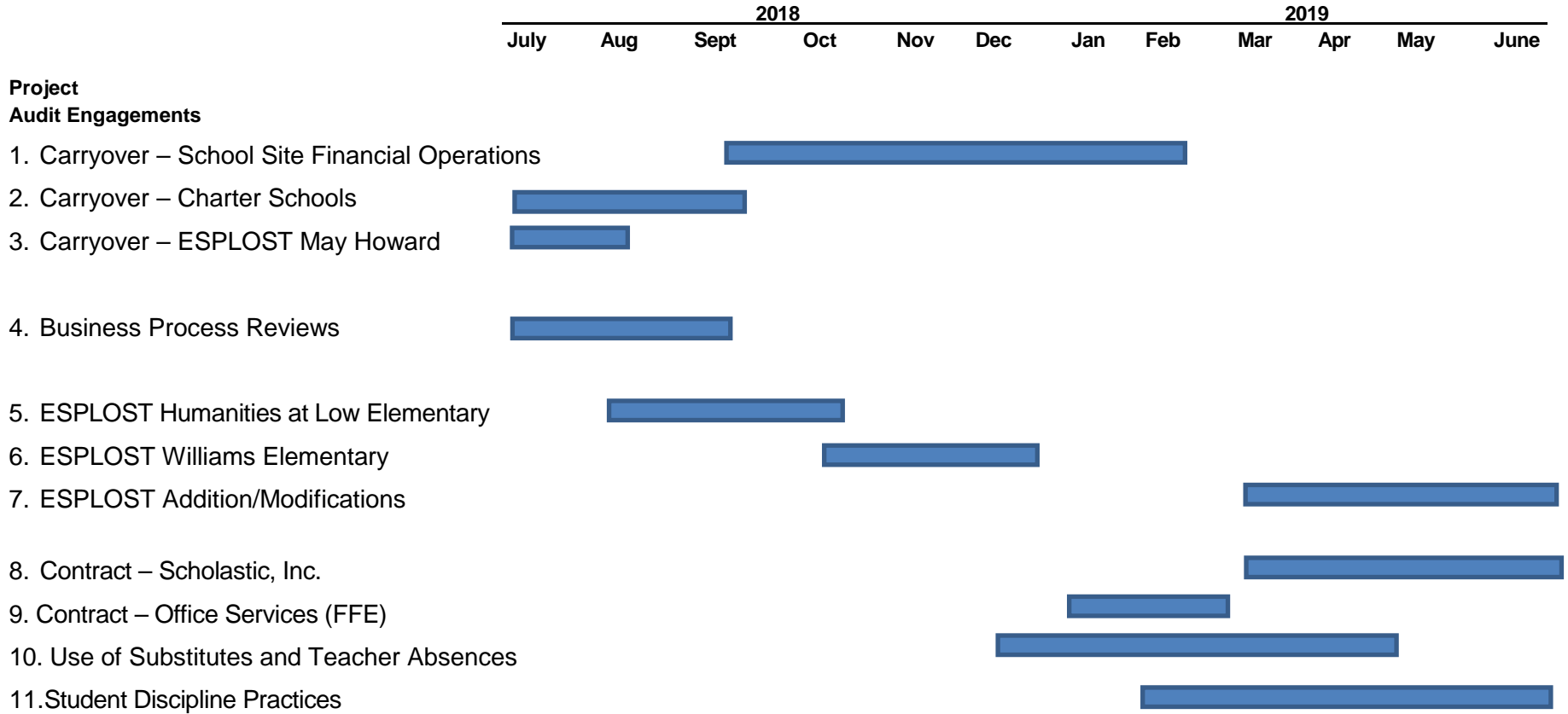
Performance Audit

The scope of this audit will focus on the compliance of discipline policy and procedures, accuracy of discipline reporting, training opportunities for school site personnel and teacher/administrators roles within the disciplinary process.

7. Non-Audit Services

Internal Audit may also conduct reviews in risk areas that will assist management in their monitoring of controls while providing an objective view of the designed controls. These services once rendered are not ongoing and will not replace management's responsibility of monitoring the area reviewed.

Appendix I – FY2019 Internal Audit’s Operational Plan



NOTE: Actual dates are subject to change due to the extent of the risks identified during survey phase, unforeseen projects requested and/or other non-audit services. Project #'s 7, 8, and 11 may carryover to FY2020.

Appendix II – Internal Audit Process*



1. Risk Assessment

- ✓ Perform an annual risk assessment to identify audit topics based upon greatest risks and opportunity for improvement.

2. Audit Planning

- ✓ Identify stakeholders
- ✓ Conduct initial entrance meeting with stakeholders
- ✓ Interview personnel
- ✓ Identify potential areas of concerns/risks
- ✓ Identify data sources
- ✓ Gain an understanding of management controls
- ✓ Identify criteria
- ✓ Identify final objectives and scope

3. Audit Execution

- ✓ Conduct kick off meeting with stakeholders to review final objectives and scope and review audit timeline
- ✓ Gather evidence through testing, data analysis and interviews.
- ✓ Identify potential findings
- ✓ Conduct ongoing meetings with management to discuss findings
- ✓ Conduct exit conference with management to discuss preliminary findings and recommendations

4. Audit Reporting

- ✓ Draft audit report and gather management responses
- ✓ Present final report to the Audit Committee

5. Audit Recommendations Follow-up

- ✓ Follow-up with management on audit recommended actions

* Appendix II. Graph of Office of Auditor General Internal Audit Process by Fairfax County Public Schools 2017. Reprinted from *Office of Auditor General Assessment and Audit Plan Fiscal Year 2018*, by Fairfax County Public Schools, October 2017, retrieved from [https://www.boarddocs.com/vsba/fairfax/Board.nsf/files/ASNN3W5E03D4/\\$file/FY18%20Risk%20Assessment%20and%20Audit%20Plan%20FINAL.pdf](https://www.boarddocs.com/vsba/fairfax/Board.nsf/files/ASNN3W5E03D4/$file/FY18%20Risk%20Assessment%20and%20Audit%20Plan%20FINAL.pdf) Copyright 2017 by Fairfax County Public Schools.

**Savannah-Chatham County Public School System
FY 2019 Internal Audit Plan**

	Estimated FY 2019 Staff Days (Proposed Plan)		Actual FY 2019 Staff Days to Date		Variance	Original Estimated Draft Report to Management	Revised Estimated Draft Report to Management (or project completion) <i>*** = Actual</i>
	Days	% of total time	Days	% of total time	Days		
I. INTERNAL AND ACADEMIC AUDITS							
A: Carryover from previous years:							
School Site Financial Operations	50				50	February 2019	
Charter Schools	11				11	September 2018	
ESPLOST - May Howard Elementary	9				9	August 2018	
Total Carryover Time	70	7%	-	#REF!	70		
B: School Audits							
Business Process Reviews (20)	60				60	October 2018	
Total School Audits	60	6%	-	#REF!	60		
C: Audits							
ESPLOST							
Humanities at Low Elementary	40				40	October 2018	
Williams Elementary	40				40	January 2019	
Addition/Modifications/Other	30				30	May 2019	
Addition/Modifications/Other	25				25	June 2019 or later	
Contract							
Scholastic, Inc.	30				30	June 2019 or later	
Office Services (FFE)	30				30	March 2019	
Internal Audits/Reviews							
Substitutes and Teacher Absences	55				55	May 2019	
Student Discipline Practices	30				30	June 2019 or later	
Total Academic/Internal Audits	280	28%	-	#REF!	280		
D: Audit Follow-ups							
Report on Use of Audits	15				15	September 2018	
Total Follow-up Time	15	2%	-	#REF!	15		
Total Audit Services	425	43%	-	#REF!	425		

	Estimated FY 2019 Staff Days (Proposed Plan)		Actual FY 2019 Staff Days to Date		Variance
	Days	% of total time	Days	% of total time	Days
II. PROFESSIONAL DEVELOPMENT					
Various courses required by standards	30				30
<i>Total Professional Development Courses</i>	30	3%	-	#REF!	30
III. RISK IDENTIFICATION AND AUDIT PLANNING					
Ethics HotLine, Issues & Training	60				60
Risk Assessment/Audit Plan	10				10
External Auditor Assistance	5				5
<i>Total Risk ID & Audit Plan</i>	75	8%	#REF!	#REF!	75
IV. NON-AUDIT SERVICES					
Consulting & Advising	15				15
External Audit RFPs/Program Evaluations	15				15
Investigations	15				15
Non-Audit Services	20				20
Policy Support & Maintenance	95				95
Board Projects (GSBA Board of Distinction, Proctoring, Misc Research, Supt. Evaluation Instrument)	40				40
<i>Total Support Services</i>	200	20%	-	#REF!	200
V. AUDIT COMMITTEE AND BOE MEETINGS AND PREPARATION					
Audit Committee Meetings and Preparation	45				45
BOE/Board Committee Meetings	50				50
<i>Total Audit Comm. & BOE Meetings</i>	95	10%	-	#REF!	95
VI. ADMINISTRATIVE ACTIVITIES					
Internal Audit Admin	35				35
Leave, Holiday, Weather	120				120
Orientation/Recruitment	-				-
Professional Associations	5				5
Peer Review	-				-
Staff Meetings	15				15
<i>Total Administrative</i>	175	18%	-	#REF!	175
Total Non-Audit Services	575	58%	#REF!	#REF!	575
TOTAL STAFF DAYS	1,000		#REF!		1,000