



BOARD OF TRUSTEES, EL PASO INDEPENDENT SCHOOL DISTRICT
AUDIT COMMITTEE MEETING
APRIL 11, 2024
4:00 PM
EPISD ADMINISTRATION BUILDING
1014 N. STANTON
EL PASO, TEXAS

Videoconference Notice:

A quorum of the Board of Trustees will be physically present at the EPISD Administration Building, 1014 North Stanton Street, El Paso, Texas 79902, and it is the intent to have a quorum of the Board present at that location. Pursuant to Texas Government Code 551.127 if a quorum of the Board is physically present at the designated location, other Trustees may attend and participate in this meeting via videoconference.

Announcement of Meeting/Agenda

As Directed Under the Provisions of the
Texas Open Meetings Act,
Texas Government Code, Chapter 551

If, during the course of the meeting covered by this Notice, the Board of Trustees should determine that a closed or executive meeting or session of the Board of Trustees is required, then such closed or executive meeting or session as authorized by the Texas Open Meetings Act, Texas Government Code Section 551.001 et seq., or Texas Government Code 418.183 (f), will be held by the School Board at the date, hour, and place given in this Notice or as soon after the commencement of the meeting covered by this Notice as the School Board may conveniently meet in such closed or executive meeting or session concerning any and all purposes permitted by the Act. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

Subject of Meeting

Audit Committee Items

1. Presentation and Discussion of the Internal Audit Organization, Assigned Personnel, Budget, Board Policy (CFC Local), and Internal Audit Charter (CFC Exhibit)
2. Presentation and Discussion of Risk Assessment and Proposed Audit Plan for 2024-2025
3. Presentation and Discussion of Internal Audit Activity Report for Quarter 3
4. Discussion of Audit Committee Meetings and Internal Audit Reports to the Board of Trustees

Meeting to be Closed under Sections 551.071 and 551.074 of the Texas Government Code as follows:

1. Consultation with Legal Counsel Regarding Issues Related to Internal Audit's External Quality Assessment; Pursuant to Texas Government Code Sections 551.071 and 551.074

Any final action as a result of this discussion will be taken at the re-opening of this meeting, later during the Open Session or at a subsequent meeting.

Superintendent

The District condemns and prohibits discrimination, including harassment, against any employee on the basis of race, color, age, sex, religion, national origin, marital status, citizenship, military status, disability, genetic information, gender stereotyping and perceived sexuality, perceived or actual sexual orientation, gender identity or gender expression, or any other basis prohibited by law. Inquiries concerning the application of Title VI, VII, and IX, and Section 504 may be referred to the District Compliance Officer, Patricia Cortez, at (915) 230-2033; 504 inquiries regarding students may be referred to Kelly Ball at (915) 230-2856.



***BOARD OF TRUSTEES AUDIT COMMITTEE MEETING
EXECUTIVE SUMMARY OF COMMITTEE AGENDA ITEM***

TITLE:

Presentation and Discussion of the Internal Audit Organization, Assigned Personnel, Budget, Board Policy (CFC Local), and Internal Audit Charter (CFC Exhibit)

STAFF RESPONSIBLE:

Mayra G. Martinez, Chief Internal Auditor

SUMMARY:

According to Board Policy CFC (Local), "each April...the Board and the chief internal auditor shall review the Internal Audit Department's organization, assigned personnel, proposed budget, this policy, and charter.

ATTACHMENTS:

Description

- ▢ Item 1_IA Organization Charter and Policy
- ▢ Attachment C - IA Staff Qualifications
- ▢ CFC(LOCAL)
- ▢ CFC(XHIBIT)



Audit Organization, Assigned Personnel, Budget, Policy, and Charter

MAYRA G. MARTINEZ, CIA, CFE, CGAP, RTSBA
Chief Internal Auditor, El Paso Independent School District

Requirements

Board Policy CFC Accounting Audits (Local) states, “...each April as the District begins its budget development for the coming fiscal year, the Board and the chief internal auditor shall review the Internal Audit Department’s organization, assigned personnel, proposed budget, this policy, and charter.”

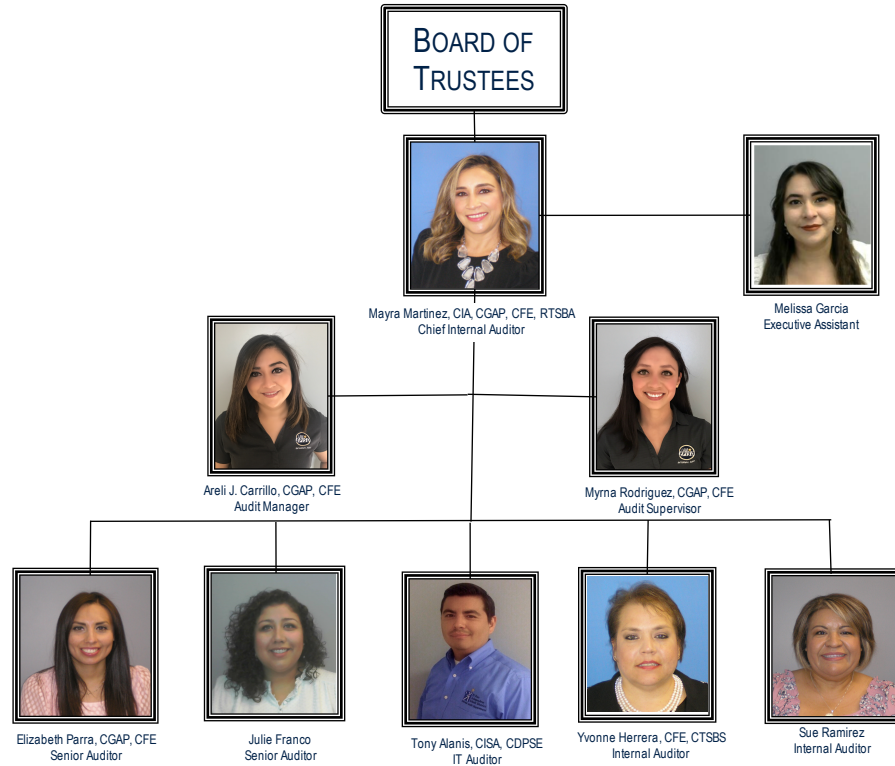


Organization

1. The Chief Internal Auditor has organizational independence (reports functionally and administratively to the Board of Trustees).
2. Without specific approval by the Board, Internal Audit shall not engage in any activities that could reasonably be construed to compromise its independence.
3. No additional duties or responsibilities shall be assigned to Internal Audit without specific approval from the Board.
4. The Chief Internal Auditor shall determine job descriptions, hire approved budgeted positions, and conduct evaluations for individual personnel assigned to the Internal Audit Department.



Assigned Personnel



Personnel Qualifications

Internal Audit staff collectively possess the knowledge, skills, and other competencies needed to perform their responsibilities. Staff Qualifications were included as Attachment C in the proposed 2024-2025 Audit Plan. In summary:

Category	Auditors (Count)	% of Audit Staff
Years of Audit Experience		
Less than 10 years	0	0%
Between 10 and 15 years	3	38%
Between 15 and 20 years	3	38%
Over 20 years	2	25%
Years of School District Experience		
Less than 5 years	2	25%
Between 5 and 10 years	0	0%
Between 10 and 15 years	1	13%
Between 15 and 20 years	3	38%
Over 20 years	2	25%
Auditors with Advanced Degrees	3	38%
Auditors Holding Relevant Certifications/ Designations	7	88%



2024-2025 Proposed Operating Budget

Adopted operating budget for fiscal year 2024 was \$97,383

Requesting an additional \$6,200 next year to help cover the costs of the implementation of the Audit Management Software.

Operating Budget	Proposed 2025 Budget
District Hotline	10,600
Copier/Scanner Annual Lease	2,000
Software (For Audit Management) <i>First year implementation costs estimated to be \$31,850, the remainder will be the recurring cost.</i>	63,250
Training (in-town and online)	12,425
Resource and reading materials (self-study)	300
Equipment and data analytics software	8,796
Department supplies and peripherals	1,455
Memberships and Certifications (IIA, ISACA, TASBO, and ACFE)	4,257
In-city travel reimbursement	500
	<u>\$ 103,583</u>



Operating Budget Breakdown

Account	Description	Amount
Fraud, Waste, and Abuse Hotline	Navex annual report line renewal service	\$ 10,600
Training (Local and Online)	<ul style="list-style-type: none"> Institute of Internal Auditors Association of Certified Fraud Examiners Texas Association of School Business Officials ACI (Audit, Cybersecurity, & Information Technology) Learning 	\$ 12,425
Equipment and Software	<ul style="list-style-type: none"> Two Laptops \$ 5,000 Caseware IDEA software (maintenance fee for two licenses) \$ 3,146 Intella software (maintenance fee for 1 license) \$ 650 	\$ 8,796



Operating Budget Breakdown

Account	Description	Amount
Audit Management Software	Audit Management Software subscription (9 licenses) \$ 31,400 Implementation, installation/deployment, configuration, training for end users and champions, and expert on-demand support \$ 31,850	\$ 63,250



Board Policy CFC Accounting Audits (Local)

<https://pol.tasb.org/PolicyOnline/PolicyDetails?key=437&code=CFC#localTabContent>

Sections Applicable to Internal Audit	Sub Sections
Chief Internal Auditor:	<ol style="list-style-type: none">1. Selection2. Job Description3. Certifications4. Yearly Evaluation
Internal Audit Department:	<ol style="list-style-type: none">1. Professional Standards and Practices2. Reporting by Chief Internal Auditor3. Plan of Work and Charter4. Organization and Assignment of Personnel to the Internal Audit Department



Board Policy CFC (Exhibit) – Internal Audit Charter

<https://pol.tasb.org/PolicyOnline/PolicyDetails?key=437&code=CFC#exhibitTabContent>

- Purpose and Mission
- Standards for the Professional Practice of Internal Auditing
- Internal Audit's Authority
- Independence and Objectivity
- Scope of Internal Audit Activities
- Chief Internal Auditor's Responsibility
- Internal Audit Reports and Corrective Action Plans





Internal Audit

Assurance | Insight | Objectivity

1014 N. Stanton | El Paso, TX 79902

Phone: 915-230-2743 | Email: audit@episd.org

Fraud, Waste, and Abuse Hotline:

<https://www.reportlineweb.com/EPISD> or (800) 620-8591





Attachment C: Internal Audit Staff Qualifications

ASSURANCE • INSIGHT • OBJECTIVITY

The Chief Internal Auditor ensures that internal auditors, collectively, have the competencies to complete the Audit Plan. In evaluating competencies, the Chief Internal Auditor considered:

1. Audit experience, since the effectiveness of internal auditors increases in proportion to their experience,
2. Relevant professional certifications/designations, as these are essential to strengthening an internal auditor's knowledge and credibility, and
3. Professional development/training, to show internal auditors are deepening their understanding of relevant topics and improving the quality of audit services.

A listing of Internal Audit staff and their qualifications follows.

Chief Internal Auditor: Mayra G. Martinez

Years of EPISD Service: 21 years

Years of Audit Experience: 23.5 years

Education: University of Texas at El Paso

Bachelor of Business Administration, Accounting and Computer Information Systems

Certifications: Certified Internal Auditor (CIA), Certified Government Auditing Professional (CGAP), Certified Fraud Examiner (CFE), and Registered Texas School Business Administrator (RTSBA)

Audit Supervisor: Myrna P. Rodriguez

Years of EPISD Service: 11.6 years (also worked for another district for 4 years)

Years of Audit Experience: 17 years

Education: University of Texas at El Paso

Bachelor of Business Administration, Accounting and Marketing

Master of Accountancy

Certifications: CIA, CGAP, and CFE

Audit Manager: Areli J. Carrillo

Years of EPISD Service: 8.3 years (also worked for another district for 7 years)

Years of Audit Experience: 17 years

Education: University of Texas at El Paso

Bachelor of Business Administration, Accounting and Finance

Master of Business Administration

Certifications: CGAP and CFE

Information Technology Auditor: Antonio (Tony) Alanis

Years of EPISD Service: 33.7 years

Years of Audit Experience: 33.7 years

Certifications: Certified Information Systems Auditor (CISA) and Certified Data Privacy Solutions Engineer (CDPSE)

Senior Auditor: Elizabeth (Lyz) Parra

Years of EPISD Service: 2.8 years

Years of Audit Experience: 12.3 years

Education: University of Phoenix

Bachelor of Science in Business/Accounting

Master of Business Administration

Certifications: CGAP and CFE

Senior Auditor: Julie Franco

Years of EPISD Service: 1.7 years

Years of Audit Experience: 10.2 years

Education: University of Texas at El Paso
Bachelor of Business Administration, Accounting

Internal Auditor: Yvonne T. Herrera

Years of EPISD Service: 13 years (also worked for another district for 5 years)

Years of Audit Experience: 17 years

Education: University of Phoenix
Bachelor of Science, Business Information Systems
Certifications: CFE and Certified Texas School Business Specialist (CTSBS)

Internal Auditor: Susana (Sue) Ramirez

Years of EPISD Service: 2.1 years (also worked for two other districts for over 10 years)

Years of Audit Experience: 12.5 years

Education: University of Texas at El Paso
Bachelor of Business Administration, Accounting
Certifications: CFE and RTSBA

ACCOUNTING
AUDITS

CFC
(LOCAL)

FINANCIAL AUDITS

In accordance with state law, a financial audit shall be performed annually by a certified public accountant holding a firm license from the Texas State Board of Public Accountancy. The financial audit shall be conducted in accordance with generally accepted auditing standards as outlined in the Texas Education Agency's *Financial Accountability System Resource Guide (FASRG)*.

The audit shall be conducted on an organization-wide basis, including all fund types and account groups that are the accounting responsibility of the District.

SELECTION OF
EXTERNAL
AUDITOR

The Board shall select an external auditor to conduct an annual financial audit for a one-year period with an option to renew annually for up to three additional years. In accordance with prudent business practices, the District shall conduct a formal request for qualifications after the third renewal for these services. A firm will be selected based on demonstrated competence and qualifications and fair and reasonable prices as required by state law.

CHIEF INTERNAL
AUDITOR

SELECTION

The Board retains the authority to employ the chief internal auditor for the District. The Superintendent is authorized to provide administrative support to assist the Board in employing a chief internal auditor. Administrative support shall include posting of the position, providing applications to the Board, and arranging interviews of applicants by the Board.

The chief internal auditor shall be a contract employee. Only the Board may terminate or reassign the chief internal auditor.

JOB DESCRIPTION

The Board shall determine a job description for the chief internal auditor and shall, as conditions warrant, recommend revisions to the job description subject to the review and approval of the Board.

CERTIFICATIONS

The chief internal auditor shall have either a Certified Internal Auditor (CIA) or a Certified Government Auditing Professional (CGAP) certification.

YEARLY
EVALUATION

The annual performance evaluation for the chief internal auditor shall be completed by the Board during the month of August.

INTERNAL AUDIT
DEPARTMENT

PROFESSIONAL
STANDARDS AND
PRACTICES

The operational practices and procedures of the internal audit department shall be in accordance with the standards for the professional practice of internal auditing and code of ethics, established by the institute of internal auditors, as well as the District's policies and procedures.

REPORTING BY
CHIEF INTERNAL
AUDITOR

The chief internal auditor shall communicate with and interact directly with the Board as outlined in the internal audit charter [see CFC(EXHIBIT)].

When the Board requests a specific investigation for suspected fraud or financial impropriety, such may be discussed in closed meeting, when legally appropriate, with participation by the administration at the Board's discretion.

PLAN OF WORK
AND CHARTER

The chief internal auditor must develop an annual risk-based audit plan to determine the priorities of the internal audit department. This plan shall be submitted to the Board for approval in April of each year. Any addition or change to this plan shall be submitted to the Board for review and approval. Additionally, each April as the District begins its budget development for the coming fiscal year, the Board and the chief internal auditor shall review the Internal Audit Department's organization, assigned personnel, proposed budget, this policy, and charter [see CFC(EXHIBIT)].

ORGANIZATION AND
ASSIGNMENT OF
PERSONNEL TO
THE INTERNAL
AUDIT
DEPARTMENT

Without specific approval by the Board, the Internal Audit Department shall not engage in any activities that could reasonably be construed to compromise its independence. In a like manner, no additional duties or responsibilities shall be assigned to the Internal Audit Department without specific approval from the Board. The chief internal auditor shall determine job descriptions, hire approved budgeted positions, and conduct evaluations for individual personnel assigned to the Internal Audit Department.

Individuals applying for positions within the Internal Audit Department must disclose familial and close personal relationships with other District employees if they are on the list of finalists. The chief internal auditor will consider any potential impairments of objectivity based on the position held before making the hiring decision.

El Paso ISD Internal Audit Department Charter

Purpose and Mission

The purpose of the El Paso Independent School District's (the "District") internal audit department is to provide objective assurance and consulting services designed to add value and improve the District's operations. The mission of the internal audit department is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The internal audit department helps the District accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Standards for the Professional Practice of Internal Auditing

The Internal Audit Department will govern itself by adherence to the mandatory elements of the Institute of Internal Auditors' (IIA) International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing (Standards). The chief internal auditor will report periodically to the District's Board of Trustees (the "Board") regarding the internal audit department's conformance to the Code of Ethics and the Standards. In addition, the Internal Audit Department will adhere to the District's policies and procedures.

Authority

The District's chief internal auditor reports functionally and administratively to the District's Board. The chief internal auditor will have unrestricted access to, and communicate and interact directly, with the Board, including in private meetings without management present.

To establish, maintain, and assure the District's internal audit department has sufficient authority to fulfill its duties, the Board will:

- Approve the internal audit charter;
- Approve the risk based audit plan;
- Approve the internal audit budget and resource plan;
- Receive communications from the chief internal auditor on the internal audit department's performance relative to its plan and other matters;
- Approve decisions regarding the appointment and removal of the chief internal auditor;
- Approve the remuneration of the chief internal auditor; and
- Make appropriate inquiries of management and the chief internal auditor to determine whether there is inappropriate scope or resource limitations.

The Board authorizes the internal audit department to:

- Have full, free, and unrestricted access to all the District's functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary personnel of the District, as well as other specialized services from within or outside the District, in order to complete the engagement. All employees are required to assist the internal audit department in fulfilling its roles and responsibilities.

Independence and Objectivity

The chief internal auditor will ensure that the internal audit department remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the chief internal auditor determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will remain unbiased to allow them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others. In order to provide for the independence of the internal audit department, the department's personnel will report to and be evaluated by the chief internal auditor.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for the District.
- Initiating or approving transactions external to the internal audit department.
- Directing the activities of any District employee not employed by the internal audit department, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties. Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make a balanced assessment of all available and relevant facts and circumstances.

- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The chief internal auditor will confirm to the Board, at least annually, the organizational independence of the internal audit department.

Scope of Internal Audit Activities

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Board, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the District. Internal audit assessments include evaluating whether:•

- Risks relating to the achievement of the District's goals and strategic objectives are appropriately identified and managed.
- The actions of the District's employees and vendors/contractors are in compliance with the District's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, plans, laws, regulations, and procedures that could significantly impact the District.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and adequately protected.
- The chief internal auditor also coordinates activities and considers relying on the work of other internal and external assurance and consulting service providers in order to avoid duplication of effort, minimize audit findings, improve the effectiveness of corrective action plans, and improve communications between affected departments and personnel. The Superintendent or designee is responsible for ensuring the chief internal auditor receives copies of all external audit/reviews reports. External audit/review reports will be used for audit plan risk analysis purposes and to monitor the progress made by management to address high-risk findings.
- The internal audit department may perform advisory and related client service activities, the nature and scope of which will be agreed upon with the client, provided the internal audit department does not assume management responsibility.
- Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

The chief internal auditor will:

1. Periodically report to the Board and inform senior management regarding the internal audit department's purpose, authority, and responsibility.
2. Provide quarterly reports to the Board on the internal audit department's plan and performance relative to its plan.
3. Periodically report to the Board the internal audit department's conformance with the IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.
4. Periodically report significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Board.
5. Meet with the Board audit committee on a quarterly basis to discuss the status of the audit plan, results of audit engagements or other activities, and other matters requested by the Board.
6. Periodically report resource requirements to the Board.
7. Report to the Board and inform senior management of any response to risk (including responses to audit findings) by management that may be unacceptable to the District.

Responsibility

The chief internal auditor has the responsibility to:

1. Submit, at least annually, to the Board a risk-based audit plan for review and approval.
2. Communicate to the Board the impact of resource limitations on the audit plan.
3. Review and adjust the audit plan, as necessary, in response to changes in the District's business, risks, operations, programs, systems, and controls.
4. Communicate to the Board, for review and approval, any significant interim changes to the audit plan.
5. Ensure audit engagements executed include the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
6. Follow up on engagement findings and corrective actions, and report to the Board and senior management any corrective actions not effectively implemented or unduly delayed. The chief internal auditor will notify the Board of delayed/past due corrective action plan activities during the regularly scheduled monthly Board meetings.
7. Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.

8. Ensure the internal audit department collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
9. Ensure trends and emerging issues that could impact the District are considered and communicated to the Board and senior management as appropriate.
10. Ensure emerging trends and successful practices in internal auditing are considered.
11. Establish and ensure adherence to policies and procedures designed to guide the internal audit department.
12. Ensure adherence to the District's relevant policies and procedures, unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to the Board.
13. Establish a quality assurance and improvement program designed to enable an evaluation of the internal audit department's conformance with the Standards and an evaluation of whether internal auditors apply the IIA's Code of Ethics.
14. Communicate to the Board on the quality assurance and improvement program, including results of internal and external assessments.
15. Ensure conformance of the internal audit department with the Standards, with the following qualifications:
 - If the internal audit department is prohibited by law or regulation from conformance with certain parts of the Standards, the chief internal auditor will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
 - If the Standards are used in conjunction with requirements issued by other authoritative bodies, the chief internal auditor will ensure the internal audit department conforms with the Standards, even if the internal audit department also conforms with the more restrictive requirements of other authoritative bodies.

Internal Audit Reports and Corrective Action Plans

Internal audit reports will be communicated in accordance with the internal audit department's policies and procedures manual. Draft internal audit reports are distributed to the Superintendent and levels of management that have functional responsibility for acting on the findings and recommendations reported. The chief internal auditor will ensure draft internal audit reports are distributed to the Board for informational purposes.

District management and leadership are responsible for developing a corrective action plan (CAP) to address findings, recommendations, and observations. Once a CAP has been submitted to and found to be adequate, the internal audit report will be finalized. If in the opinion of the chief internal auditor the approval or adequacy of a CAP is unduly delayed, the chief internal auditor will report the same to the Board.

Finalized internal audit reports will be posted on the District's website, except information that is protected under the Family Educational Rights and Privacy Act (FERPA). Some reports

may require special consideration. In cases where related investigations are being performed by human resources/other departments or findings are referred to law enforcement, the report posting may be delayed. In other cases, a more generalized report will be prepared for publication. When disclosing detailed weaknesses, such as nonfunctioning controls, would put the District at risk until fixed, a general report would be prepared for the public and a more detailed report would be prepared for the department personnel charged with correcting the weaknesses. In either case, the chief internal auditor will work with the District's legal counsel.

The chief internal auditor will ensure final internal audit reports are distributed to the Board, Superintendent, and management at least five working days prior to posting the report on the District's website.

This charter has been approved by the El Paso Board of Trustees and will only be modified upon a majority vote of the Board.



**BOARD OF TRUSTEES AUDIT COMMITTEE MEETING
EXECUTIVE SUMMARY OF COMMITTEE AGENDA ITEM**

TITLE:

Presentation and Discussion of Risk Assessment and Proposed Audit Plan for 2024-2025

STAFF RESPONSIBLE:

Mayra G. Martinez, Chief Internal Auditor

SUMMARY:

The Audit Plan establishes the framework for the activity of Internal Audit. The Audit Plan is designed to ensure that Internal Audit examines areas with the greatest exposure to risks that could affect the EPISD's ability to accomplish its strategic priorities, goals, and objectives. In developing the Audit Plan, the Chief Internal Auditor obtained input from District leadership and the Board of Trustees regarding areas of concern/high risk and potential projects.

The 2024-2025 Audit Plan:

1. Supports EPISD in achieving the Strategic Blueprint,
2. Is based on a documented risk assessment, and
3. Is flexible to ensure that Internal Audit can be responsive to unforeseen issues and changes in the EPISD's risks, operations, programs, systems, and controls.

The Audit Plan covers the period from July 1, 2024, to June 30, 2025.

The proposed Audit Plan, which includes the risk assessment and Internal Audit's resources/budget, will be submitted to the EPISD's Board of Trustees for approval on April 16, 2024. The Chief Internal Auditor will adjust the Audit Plan in response to (i) changes in the EPISD's priorities, risks, operations, programs, systems, and controls or (ii) resource limitations. Significant adjustments or changes to the Audit Plan will be submitted to the Board for review and approval. The Chief Internal Auditor will provide quarterly reports to the Board on the Audit Plan and performance relative to the plan.

ATTACHMENTS:

Description

- ▣ Proposed 2024-2025 Audit Plan
- ▣ BAC Meeting Risk Assessment and Proposed Audit Plan

Audit Plan

Fiscal Year 2024-2025



Assurance | Insight | Objectivity

Presented to the Board of Trustees on April 16, 2024



EL PASO ISD
it starts with us
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ASSURANCE • INSIGHT • OBJECTIVITY

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Audit Plan for 2024-2025

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Abbreviations List

ACFE	Association of Certified Fraud Examiners
CAP	Corrective Action Plan
CFE	Certified Fraud Examiner
CGAP	Certified Government Auditing Professional
CIA	Certified Internal Auditor
EPISD	El Paso Independent School District
ESSER	Elementary and Secondary School Emergency Relief
FTE	Full-Time Equivalent
IIA	Institute of Internal Auditors
IPPF	International Professional Practices Framework
ISACA	An international professional association focused on IT governance
IT	Information Technology
MAPP	Manual of Audit Policies and Procedures
PEIMS	Public Education Information Management System
RTSBA	Registered Texas School Business Administrator
Standards	International Standards for the Professional Practice of Internal Auditing
TASBO	Texas Association of School Business Officials
TEA	Texas Education Agency



Overview

ASSURANCE • INSIGHT • OBJECTIVITY

Internal Audit's Mission

The mission of Internal Audit is to enhance and protect the El Paso Independent School District's (EPISD) organizational value by providing risk-based and objective assurance, advice, and insight. We carry out our mission by using a systematic, disciplined approach to evaluate and improve the effectiveness of EPISD's governance, risk management, and control processes.

Audit Plan Purpose

The Audit Plan establishes the framework for the activity of Internal Audit. The Audit Plan is designed to ensure Internal Audit examines areas with the greatest exposure to risks that could affect the EPISD's ability to accomplish its strategic priorities, goals, and objectives. In developing the Audit Plan, the Chief Internal Auditor obtained input from District leadership and the Board of Trustees.

The 2024-2025 Audit Plan:

1. Supports EPISD in achieving the Strategic Blueprint adopted by the Board on December 13, 2022,
2. Is based on a documented risk assessment, and
3. Is flexible to ensure Internal Audit can be responsive to unforeseen issues and changes in the EPISD's risks, operations, programs, systems, and controls.

The 2024-2025 Audit Plan covers the period of July 1, 2024, to June 30, 2025.

Audit Plan Approval

In accordance with Board Policy CFC (Local and Exhibit), the 2024-2025 Audit Plan is being submitted to the EPISD's Board of Trustees (Board) for review and approval. The Chief Internal Auditor will communicate to the Board if there are resource limitations and their impact on the Audit Plan. The Chief Internal Auditor will adjust the Audit Plan in response to changes in the EPISD's priorities, risks, operations, programs, systems, and controls. Significant adjustments to the Audit Plan will be submitted to the Board for review and approval. The Chief Internal Auditor will provide quarterly reports to the Board on the Audit Plan and performance relative to the plan.

I want to thank the Board for their continued support and leadership for their cooperation and responsiveness.

Submitted by:



Mayra G. Martinez, CIA, CFE, CGAP, RTSBA
Chief Internal Auditor, EPISD

4/01/24
Date

Audit Plan approved by the Board of Trustees on April 16, 2024:

Israel Irroballi, President
EPISD Board of Trustees

Date



Audit Plan for 2024-2025

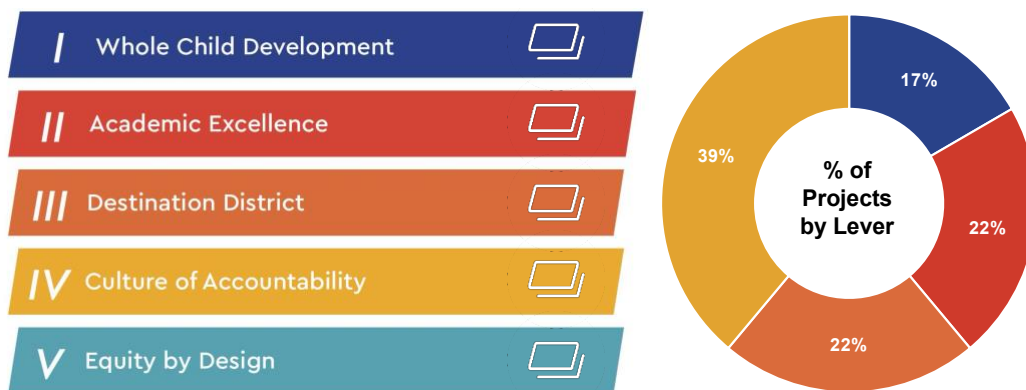
ASSURANCE • INSIGHT • OBJECTIVITY

Introduction to Audit Plan

Internal Audit has completed its annual risk assessment leading to the development of the 2024-2025 Audit Plan. Internal Audit has established a systematic process for creating an annual Audit Plan that is (i) risk-based, (ii) adds value and supports EPISD's strategic priorities and goals, and (iii) meets the mandate from the Board. The systematic process is outlined in the [Audit Plan Development Process](#) section.

The Audit Plan includes 18 engagements that support four of the five Strategic Levers in EPISD's 2022-2025 Strategic Blueprint. Engagements were not included to directly support Strategic Lever V Equity by Design since EPISD has scheduled a comprehensive equity audit. Exhibit 1 provides the percentage of projects in the Audit Plan by Strategic Lever.

Exhibit 1: Percentage of Projects by Strategic Lever



The types of engagements included in the Audit Plan are:

1. **Assurance (Audit) Engagement:** Objective examinations of evidence for the purpose of providing independent assessments on governance, risk management, and control processes¹ for EPISD. Engagements focus on both District-wide and school-level processes and controls. Examples include financial, compliance, performance, and information technology audits.
2. **Advisory Engagement:** Engagements for which the nature and scope are agreed with the client. These engagements must add value and improve the EPISD's governance, risk management, and control processes without the internal auditor assuming management responsibility. The engagement objectives must be consistent with the EPISD's values, goals, strategies, and objectives.
3. **Corrective Action Plan (CAP) Follow-up Engagement:** Also referred to as CAP follow-up reviews, are conducted to determine (i) the adequacy and timeliness of actions taken by management on reported engagement results and recommendations or (ii) if management assumed the risk of not taking corrective action on reported results and recommendations.

¹ Definition from the Institute of Internal Auditors Standards Glossary

We may conduct investigations (using hours reserved under the Contingency category), as needed, to determine whether alleged fraud, financial impropriety, or significant wrongdoing/misconduct occurred.

The Audit Plan also includes hours dedicated to activities required or recommended by the IIA Standards and administrative duties.

Engagements and Activities

This section includes the list of the 18 planned engagements and activities, broad objectives, reference to Strategic Lever supported, risk rank (when applicable), and budgeted (staff) hours. The specific objective(s) of each engagement will be determined after the engagement is initiated and we conduct the engagement-level risk assessment. A preliminary Audit Plan schedule (timing of engagements) is provided in Attachment A.

The Audit Plan engagements and activities are listed in alphabetical order, by engagement, within the following sections:

- Assurance (Audit), CAP Follow-up, and Advisory Engagements
- Administrative and Other Activities Recommended or Required by the IIA Standards

Assurance (Audit), CAP Follow-up, and Advisory Engagements

Engagement (Auditable Unit)		Broad Objective(s)	Strategic Lever Reference	Risk Rank (Likelihood/Impact)	Budgeted Hours
1	1:1 Student Devices Audit (School Resources and IT)	Review and assess controls and effectiveness of the District's 1:1 student devices inventory process	III. Destination District	High/Medium	834
2	504 Plans Audit (Whole Learner Support and Intervention)	Review and assess controls and/or compliance with state and local requirements related to 504 plans.	II. Academic Excellence	Medium/Medium	877
3	Activity Funds Advisory Engagement (Financial Services)	Provide advisory services related to the monitoring of Activity Funds. The nature and scope of which will be agreed upon with the Financial Services team.	IV. Culture of Accountability	Medium/Medium	660
4	Attendance Audit (Student Services)	Determine if attendance is recorded accurately in accordance with the TEA's Student Attendance Accounting Handbook and the District's Attendance Procedures Manual.	IV. Culture of Accountability	High/High	897
5	Change Management Audit (Information Technology)	Review IT's change management process to ensure it is controlled, monitored, and complies with industry-leading practices.	IV. Culture of Accountability	Medium/High	587

Engagement (Auditable Unit)		Broad Objective(s)	Strategic Lever Reference	Risk Rank (Likelihood/Impact)	Budgeted Hours
6	Discipline Audit CAP Follow-up Review (Student Services)	Determine whether management implemented the CAP activities or took other actions to address findings and recommendations in the Discipline Audit.	I. Whole Child Development	High/High	127
7	ESSER Audit CAP Follow-up Review (Organizational Transformation and Equity)	Determine whether management implemented the CAP activities or took other actions to address any findings and recommendations in the ESSER Audit.	IV. Culture of Accountability	Medium/Medium	110
8	IT Advisory Engagement (Information Technology)	Provide strategic IT advisory services for a high-priority project to proactively identify and mitigate potential risks that could impede progress and implementation of solutions to maximize operational efficiency. The nature and scope of which will be agreed upon with the IT team.	IV. Culture of Accountability	Medium/High	590
9	Leavers Audit (Student Services)	Review and assess controls and/or compliance with state requirements related to the coding and documentation for leavers (student dropouts).	II. Academic Excellence	High/High	742
10	Leavers Audit CAP Follow-up Review (Student Services)	Determine whether management implemented the CAP activities or took other actions to address any findings and recommendations in the Leavers Audit.	II. Academic Excellence	High/High	81
11	Maintenance Audit (Maintenance Buildings, and Grounds)	Review and assess the operations of the Maintenance Department. (Roll-forward audit)	III. Destination District	Medium/Medium	486
12	Maintenance Audit CAP Follow-up Review (Maintenance Buildings, and Grounds)	Determine whether management implemented the CAP activities or took other actions to address any findings and recommendations in the Maintenance Audit.	III. Destination District	Medium/Medium	141

Engagement (Auditable Unit)		Broad Objective(s)	Strategic Lever Reference	Risk Rank (Likelihood/Impact)	Budgeted Hours
13	PEIMS Audit CAP Follow-up Review (Information Technology)	Determine whether management implemented the CAP activities or took other actions to address findings and recommendations in the PEIMS Audit.	IV. Culture of Accountability	Medium/High	174
14	PowerUp Audit CAP Follow-up Review (School Resources and IT)	Determine whether management implemented the CAP activities or took other actions to address the findings and recommendations in the PowerUp Audit.	III. Destination District	High/Medium	71
15	Special Education Audit (Special Education)	Review and assess controls and/or compliance with state and local requirements related to the handling of discipline incidents for Special Education students. (Roll-forward audit)	I. Whole Child Development	Medium/High	473
16	Special Education Audit CAP Follow-up Review (Special Education)	Determine whether management implemented the CAP activities or took other actions to address any findings and recommendations in the Special Education Audit.	I. Whole Child Development	Medium/High	157
17	Transcript Audit CAP Follow-up Review (Counseling and Advising)	Determine whether management implemented CAP activities or took other actions to address any findings, observation(s), or recommendations in the Transcript Audit.	II. Academic Excellence	Medium/Medium	45
18	Truancy Audit (Student Retention and Truancy Prevention)	Determine whether (i) parents are notified when students have three or more unexcused absences within a four-week period and (ii) 45-day attendance improvement plans are developed and implemented.	IV. Culture of Accountability	High/Medium	474

Administrative and Other Activities Recommended or Required by Standards

Activity	Activity Description	Budgeted Hours
Administrative Duties	<p>Strategic activities include developing the annual audit plan, identifying department needs, reviewing staff competency, and planning for professional development.</p> <p>Operational activities involve designing structures and processes aimed at achieving the Internal Audit mandate and overall goals of efficiency and effectiveness. This includes hours allocated to (but not limited to):</p> <ul style="list-style-type: none"> • Reporting to the Board of Trustees, • Attending regular and special Board meetings, • Assigning auditors to specific projects and allocating/tracking time for Audit Plan activities, • Interviewing and hiring new staff members, • Completing staff appraisals, • Ensuring Internal Audit staff follow policies and procedures, • Completing mandatory District training, • Monitoring the department's budget, • Processing payroll and purchase orders, • Updating Internal Audit's MAPP and workpapers to ensure alignment to the new Global Internal Audit Standards, and • Implementing the new Audit Management software. 	3,245
Contingency and Consulting Hours	<p>The Audit Plan is developed based on priorities and estimations of time. Contingency hours are reserved to ensure the risk-based Audit Plan is flexible and responsive to change from unforeseen issues and events during the year. The hours are reserved for unplanned projects, as needed, to include:</p> <ul style="list-style-type: none"> • Consulting services that may include participating in various team meetings, workgroups, or committees within EPISD to serve in an advisory capacity, to provide management with technical assistance in a variety of areas, and serve as an available resource on risk-related issues, • Coordinating requests for information/documentation from external or law enforcement agencies, • Follow-up on concerns of high-risk or internal controls deficiencies, and • Follow-up on allegations of fraud or significant non-compliance. 	1,664
Fraud, Waste, and Abuse Hotline Reports Monitoring and Follow-up	<p>In accordance with professional standards and related practice guides, Internal Audit maintains an active role in promoting and assessing ethics throughout EPISD. This role includes hosting EPISD's Fraud, Waste, and Abuse Hotline and conducting investigations (also refer to Contingency Hours). Hours are set aside for monitoring reports received through the Fraud, Waste, and Abuse Hotline. Monitoring includes reviewing, following up/distributing (depending on the type of report), and tracking the status of concerns reported through the Hotline.</p>	326
Professional Development	<p>Staff will participate in various instructor-led or online courses in subjects directly related to auditing, the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), or public sector topics to enhance their knowledge, skills, and other competencies and meet continuing professional education requirements.</p>	520
Quality Assessment	<p>Ongoing monitoring of Internal Audit activity to ensure the department continues to conform with the Institute of Internal Auditors' Standards and Code of Ethics.</p>	148
Risk Assessment	<p>A risk assessment is a process for identifying, measuring, and prioritizing risks based on their likelihood of occurrence and the magnitude of impact. We use the results of the annual risk assessment to develop the Audit Plan since it will help us identify and prioritize the areas of high risk.</p>	203



Audit Plan Development Process

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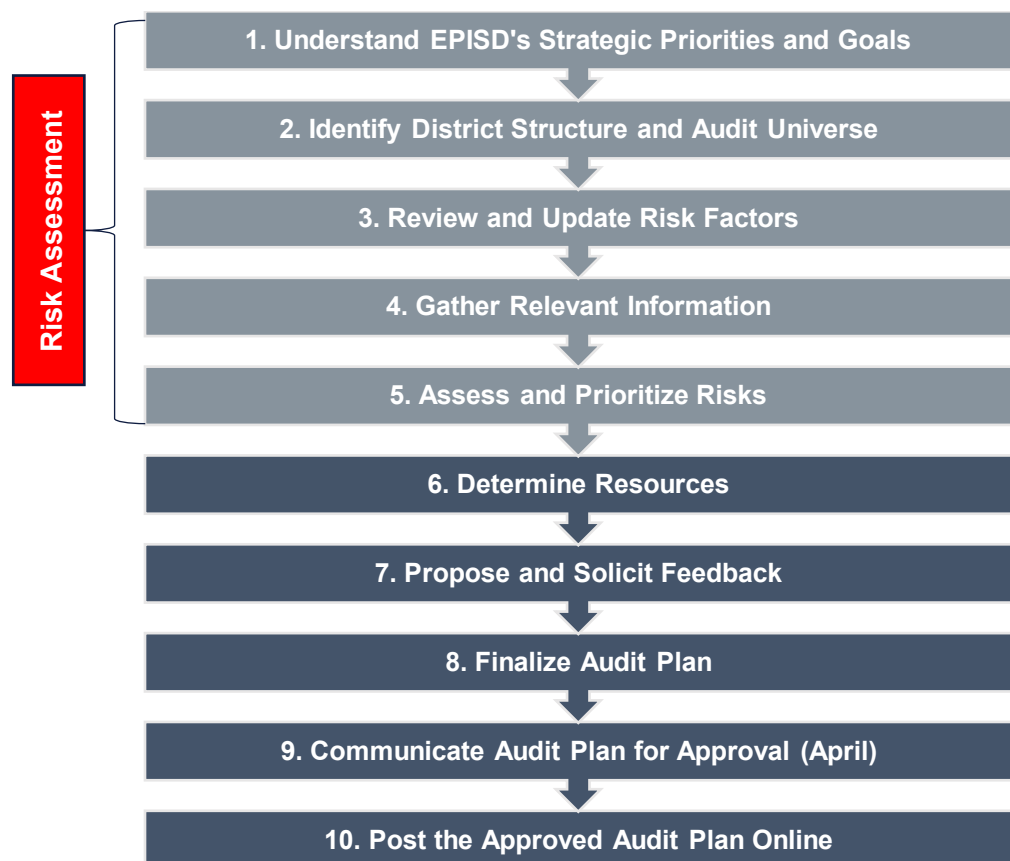
Overview of Process

To develop the Audit Plan, we use a systematic process that helps us:

1. Make the best use of Internal Audit resources,
2. Generate buy-in from EPISD management/leadership,
3. Support EPISD's success, and
4. Meet the Board's mandate for Internal Audit.

The process is summarized in Exhibit 2 and outlined in the sections that follow.

Exhibit 2: Summary of Audit Plan Process



Risk Assessment

Risk is defined as the possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.² We conduct an annual risk assessment to help Internal Audit properly align and focus its limited resources to produce insightful assurance and advice on EPISD's most pressing issues.

The first step in the risk assessment is to understand EPISD's strategic priorities (in the Strategic Blueprint) and goals. Next, we update the "audit universe" which consists of

² Definition from the Institute of Internal Auditors Standards Glossary.

EPISD's key risk areas that could be subject to audit (auditable units). We identified 34 key auditable units based on a review of EPISD's structure, organizational charts, position inventory listing, and annual department/program budgets.

The key auditable units included in our risk assessment are those that:

1. Contribute to EPISD's Strategic Blueprint and goals,
2. Are sufficiently large to noticeably impact EPISD, or
3. Are sufficiently important to justify the cost of a control.

Internal Audit uses a "risk factor" approach for identifying and assessing risks. Risk factors are not risks, but rather attributes that are indicators of risk impact and likelihood. Risk factors serve as an efficient means for assessing risk since they provide consistent criteria for all auditable units. The risk factors are reviewed annually to ensure they are applicable across all auditable units and effective in helping assess the operating, financial, and compliance risks of the EPISD. Exhibit 3 includes the risk factors used for the 2024 Risk Assessment.

Exhibit 3: Likelihood and Impact Risk Factors

LIKELIHOOD	1  Control & Environment	IMPACT	5  Criticality of Unit
	2  Changes in the Unit		6  Financial Impact
	3  Complexity		7  Regulatory Compliance
	4  Audit/Evaluation History		8  Public Interest

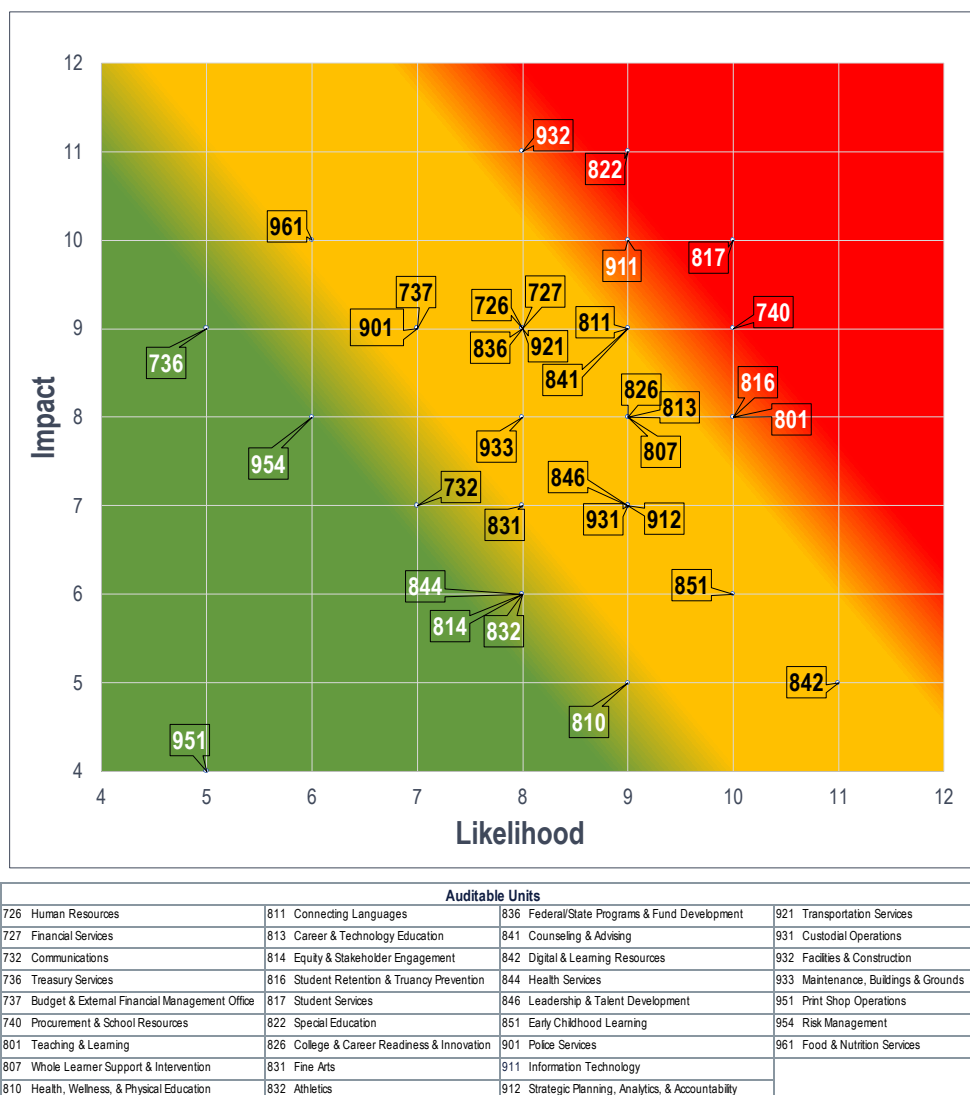
To help us determine the risk scores, we gathered information relevant to the risk factors through management questionnaires (41 responses received) and meetings with District leadership. We also met with external auditors and the Employee Relations staff to discuss risks they observed as they conducted their work. Ultimately, coordination with these two groups helps us better focus our audit resources and reduce duplication of efforts.

The Chief Internal Auditor uses the information gathered to measure the risk for each auditable unit. We use a three-point risk factor scale (for each risk factor) with one representing the lowest level of risk and three representing the highest. Once all auditable units have been scored, they are ranked from highest to lowest based on their likelihood and impact risk ratings. The likelihood and impact risk ratings are categorized based on the risk score as follows:

Low Risk	Medium Risk	High Risk
4.0 to 6.9	7.0 to 9.9	10.0 to 12.0

The Heat Map in Exhibit 4 illustrates the risk rating by auditable unit. The detailed results of the 2024 Risk Assessment (by auditable unit and risk factor) are also provided in **Attachment B**.

Exhibit 4: Risk Assessment Heat Map – Risk Rank for Auditable Units



Determining Resources

The Chief Internal Auditor ensures that Internal Audit resources are appropriate, sufficient, and effectively deployed to achieve the Audit Plan.

- **Appropriate:** Ensuring Internal Audit staff have the knowledge, skills, and other competencies collectively needed to carry out engagements. Please refer to Attachment C for Internal Audit staff qualifications.
- **Sufficient:** Obtaining the financial, staff, and technology resources needed to implement the Audit Plan.
- **Effectively deployed:** Ensuring financial, staff, and technology resources are allocated in a way that optimizes the achievement of the Audit Plan.

The Audit Plan's available budgeted hours are calculated based on the workdays available (226 paid days) for the eight (8) full-time equivalent audit professionals

(including the Chief Internal Auditor). The hours available to allocate to projects (project hours available) are determined after deducting hours for leave, professional development, and administrative duties. The calculation of available budgeted hours and project hours is summarized in Exhibits 5 and 6 that follow.

Exhibit 5: Available Budgeted Hours Calculation

Category	Hours
A. Employee Days on Duty	226
B. Number of hours per day	8
C. Auditor Full-time Equivalents (FTEs)	8
D. Available Budgeted Hours (A x B x C)	14,464

Exhibit 6: Project Hours Calculation

Category	Hours	Percentage
D. Available Budgeted Hours (from Exhibit 4)	14,464	100%
Less:		
E. Staff leave hours	832	6%
F. Professional development hours	520	4%
G. Administrative duties hours	3,245	22%
H. Project Hours Available (D - E - F - G)	9,867	68%

Operating budgeted funds are used to ensure Internal Audit staff have the knowledge, skills, competencies, and resources (including technology) to perform their individual responsibilities effectively. Exhibit 7 summarizes the department's proposed operating budget for the 2025 fiscal year. The adopted operating budget for Internal Audit was \$97,383 in fiscal year 2023-2024. For fiscal year 2025, we requested an additional \$6,200 to help cover the cost of implementing Audit Management Software.

Exhibit 7: Internal Audit 2025 Proposed Operating Budget

Operating Budget	Proposed 2025 Budget
District Hotline	10,600
Copier/Scanner Annual Lease	2,000
Software (For Audit Management) <i>First year implementation costs estimated to be \$31,850, the remainder will be the recurring cost.</i>	63,250
Training (in-town and online)	12,425
Resource and reading materials (self-study)	300
Equipment and data analytics software	8,796
Department supplies and peripherals	1,455
Memberships and Certifications (IIA, ISACA, TASBO, and ACFE)	4,257
In-city travel reimbursement	500
	\$ 103,583

Propose and Solicit Feedback

We created a list of potential projects based on the results of the risk assessment and Internal Audit hours available for projects. The Chief Internal Auditor met with the following executive cabinet-level administrators to review the risk assessment results and get input/buy-in on potential projects:

1. Chief of Police,
2. Chief Human Capital Management Officer,
3. Chief Financial Officer,
4. Chief Schools Officer,

5. Chief Academic Officer,
6. Chief Operations Officer,
7. Chief of Organizational Transformation and Equity,
8. General Counsel,
9. Deputy Superintendent of Administration, and
10. Deputy Superintendent of Academics, School Leadership, IT, and Operations

The Chief Internal Auditor also met with the Superintendent and members of the Board to share the results of the risk assessment, discuss areas of concern/high risk, and/or obtain input on the Audit Plan engagements.



Attachment A: 2024-2025 Audit Plan Schedule

Project Name		Planned		Quarter 1			Quarter 2			Quarter 3			Quarter 4		
		Start Date	End Date	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
1	1:1 Student Devices Assurance Engagement	11/01/24	06/30/25												
2	504 Assurance Engagement	11/01/24	06/30/25												
3	Activity Funds Advisory Engagement	01/06/25	06/30/25												
4	Attendance Assurance Engagements	07/01/24	06/30/25												
5	Change Management (IT) Assurance Engagement	01/06/25	06/30/25												
6	Discipline CAP Follow-up Review	07/01/24	12/20/24												
7	ESSER CAP Follow-up Review	07/01/24	09/30/24												
8	IT Advisory Engagement	07/01/24	12/20/24												
9	Leavers/Dropouts Assurance Engagement	07/01/24	12/20/24												
10	Leavers/Dropouts Assurance CAP Follow-up Review	01/06/25	06/30/25												
11	Maintenance Assurance Engagement	07/01/24	10/31/24												
12	Maintenance CAP Follow-up Review	01/06/25	06/30/25												
13	PEIMS CAP Follow-up Review	07/01/24	12/20/24												
14	PowerUp CAP Follow-up Review	07/01/24	08/30/24												
15	Special Education Assurance Engagement	07/01/24	10/31/24												
16	Special Education CAP Follow-up Review	01/06/25	06/30/25												
17	Transcript CAP Follow-up Review	07/01/24	08/30/24												
18	Truancy Assurance Engagements	07/01/24	06/30/25												

Legend: Reference to Strategic Levers

I. Whole Child Development

II. Academic Excellence

III. Destination District

IV. Culture of Accountability



Attachment B: 2024 Risk Assessment Results

Audit Universe			Likelihood Risk Factors				Impact Risk Factors					Risk Rank (Likelihood/ Impact)
			Control Environment	Changes in Unit	Complexity	Audit/ Evaluation History	Risk Score	Criticality of the Unit	Financial Impact	Regulatory Compliance	Public Sensitivity	
Academics, School Leadership, and IT												
822	Special Education <i>(Sub-units/processes include: Special Education instructional programs including dyslexia, support services, and evaluation services)</i>	2	2	3	2	9	3	3	3	2	11	Medium/High
801	Teaching and Learning <i>(Sub-units/processes include: Curriculum, Assessments, and Support for Literacy/STEM)</i>	2	3	3	2	10	3	2	1	2	8	High/Medium
911	Information Technology <i>(Sub-units/processes include: Technology Applications, PEIMS, IT Operations, and Information Security)</i>	2	3	2	2	9	3	2	3	2	10	Medium/High
811	Connecting Languages <i>(Sub-units/processes include: Dual Language program, bilingual/ESL, compliance, and migrant services)</i>	2	2	3	2	9	3	2	2	2	9	Medium/Medium
807	Whole Learner Support and Intervention <i>(Sub-units/processes include: Social Emotional Learning, Positive Behavioral Interventions and Supports, and 504)</i>	2	2	2	3	9	3	1	2	2	8	Medium/Medium
826	College & Career Readiness and Innovation <i>(Sub-units/processes include: Advanced Academics assessments, Gifted and Talented, P-TECHS, ECHS, and Planetarium)</i>	2	2	3	2	9	3	1	2	2	8	Medium/Medium
813	Career and Technology Education <i>(Sub-units/processes include: Industry Based Certifications and CTE Programs of Study)</i>	2	2	3	2	9	3	2	2	1	8	Medium/Medium



Attachment B: 2024 Risk Assessment Results

			Likelihood Risk Factors					Impact Risk Factors					
Audit Universe			Control Environment	Changes in Unit	Complexity	Audit/ Evaluation History	Risk Score	Criticality of the Unit	Financial Impact	Regulatory Compliance	Public Sensitivity	Risk Score	Risk Rank (Likelihood/ Impact)
841	Counseling and Advising <i>(Sub-units/processes include: graduation programs, student transcripts, student scheduling, counseling services, and crisis and safety response)</i>		2	2	3	2	9	3	1	2	3	9	Medium/Medium
851	Early Childhood Learning <i>(Sub-units/processes include: Early Childhood Learning (Pre-K), and Montessori)</i>		2	3	2	3	10	2	1	1	2	6	High/Low
842	Digital and Learning Resources <i>(Sub-units/processes include: Technology Integration and Learning devices, apps, and tools; Library Programs; Academic UIL programs)</i>		2	3	3	3	11	2	1	1	1	5	High/Low
844	Health Services		2	2	2	2	8	2	1	1	2	6	Medium/Low
810	Health, Wellness, and Physical Education		2	2	2	3	9	2	1	1	1	5	Medium/Low
Organizational Transformation and Equity													
836	Federal/State Programs and Fund Development		2	2	2	2	8	2	3	2	2	9	Medium/Medium
846	Leadership and Talent Development <i>(Sub-units/processes include: District leadership professional development, Reading Academies, New Teacher Orientation, Onboarding and Development Mentor Orientation, UTEP Residents and Mentors support)</i>		2	2	2	3	9	3	2	1	1	7	Medium/Medium
912	Strategic Planning, Analytics, and Accountability <i>(Sub-units/processes include: Strategic Planning, Evaluations, Improvement Planning, Analytics, and Accountability)</i>		2	2	3	2	9	2	1	2	2	7	Medium/Medium



Attachment B: 2024 Risk Assessment Results

			Likelihood Risk Factors					Impact Risk Factors					
Audit Universe			Control Environment	Changes in Unit	Complexity	Audit/ Evaluation History	Risk Score	Criticality of the Unit	Financial Impact	Regulatory Compliance	Public Sensitivity	Risk Score	Risk Rank (Likelihood/ Impact)
	814	Equity and Stakeholder Engagement (Sub-units/processes include: Family Engagement and Community Schools)	2	1	2	3	8	2	1	2	1	6	Medium/Low
Business Services													
	740	Procurement and School Resources	2	3	3	2	10	2	3	2	2	9	High/Medium
	727	Financial Services (Sub-units/processes include: Accounting, Accounts Payable, Payroll, Campus Accounting, Payment Services, and Travel)	2	2	3	1	8	2	3	2	2	9	Medium/Medium
	737	Budget and External Financial Management Office	2	2	2	1	7	3	3	2	1	9	Medium/Medium
	961	Food and Nutrition Services	2	1	1	2	6	3	3	2	2	10	Low/High
	954	Risk Management	2	1	2	1	6	2	2	2	2	8	Low/Medium
	736	Treasury Services	2	1	1	1	5	2	3	2	2	9	Low/Medium
Operations													
	932	Facilities and Construction	2	2	2	2	8	3	3	2	3	11	Medium/High
	933	Maintenance, Buildings and Grounds	2	1	2	3	8	2	2	2	2	8	Medium/Medium
	921	Transportation Services	2	1	2	3	8	3	2	2	2	9	Medium/Medium
	931	Custodial Operations	2	1	3	3	9	2	2	1	2	7	Medium/Medium
	951	Print Shop Operations	2	1	1	1	5	1	1	1	1	4	Low/Low
Administration													
	817	Student Services (Sub-units/processes include: student attendance, discipline, enrollment/withdrawal, transfers, leavers, and parent complaints)	2	3	3	2	10	3	3	2	2	10	High/High
	816	Student Retention and Truancy Prevention	2	3	3	2	10	3	1	2	2	8	High/Medium



Attachment B: 2024 Risk Assessment Results

			Likelihood Risk Factors					Impact Risk Factors					
Audit Universe			Control Environment	Changes in Unit	Complexity	Audit/ Evaluation History	Risk Score	Criticality of the Unit	Financial Impact	Regulatory Compliance	Public Sensitivity	Risk Score	Risk Rank (Likelihood/ Impact)
	726	Human Resources <i>(Sub-units Include: Employee Recruitment, Hiring/Retaining, Compensation, Benefits, and Employee Relations)</i>	2	2	3	1	8	3	2	2	2	9	Medium/Medium
	831	Fine Arts	2	1	2	3	8	2	2	1	2	7	Medium/Medium
	832	Athletics	2	1	2	3	8	2	1	1	2	6	Medium/Low
Other													
	901	Police Services	2	2	2	1	7	2	2	3	2	9	Medium/Medium
	732	Communications	2	1	1	3	7	2	1	1	3	7	Medium/Medium

Risk Score Legend:

Low Risk	Medium Risk	High Risk
4.0 to 6.9	7.0 to 9.9	10.0 to 12.0



Attachment C: Internal Audit Staff Qualifications

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The Chief Internal Auditor ensures that internal auditors, collectively, have the competencies to complete the Audit Plan. In evaluating competencies, the Chief Internal Auditor considered:

1. Audit experience, since the effectiveness of internal auditors increases in proportion to their experience,
2. Relevant professional certifications/designations, as these are essential to strengthening an internal auditor's knowledge and credibility, and
3. Professional development/training, to show internal auditors are deepening their understanding of relevant topics and improving the quality of audit services.

A listing of Internal Audit staff and their qualifications follows.

Chief Internal Auditor: Mayra G. Martinez

Years of EPISD Service: 21 years

Years of Audit Experience: 23.5 years

Education: University of Texas at El Paso

Bachelor of Business Administration, Accounting and Computer Information Systems

Certifications: Certified Internal Auditor (CIA), Certified Government Auditing Professional (CGAP), Certified Fraud Examiner (CFE), and Registered Texas School Business Administrator (RTSBA)

Audit Supervisor: Myrna P. Rodriguez

Years of EPISD Service: 11.6 years (also worked for another district for 4 years)

Years of Audit Experience: 17 years

Education: University of Texas at El Paso

Bachelor of Business Administration, Accounting and Marketing

Master of Accountancy

Certifications: CIA, CGAP, and CFE

Audit Manager: Areli J. Carrillo

Years of EPISD Service: 8.3 years (also worked for another district for 7 years)

Years of Audit Experience: 17 years

Education: University of Texas at El Paso

Bachelor of Business Administration, Accounting and Finance

Master of Business Administration

Certifications: CGAP and CFE

Information Technology Auditor: Antonio (Tony) Alanis

Years of EPISD Service: 33.7 years

Years of Audit Experience: 33.7 years

Certifications: Certified Information Systems Auditor (CISA) and Certified Data Privacy Solutions Engineer (CDPSE)

Senior Auditor: Elizabeth (Lyz) Parra

Years of EPISD Service: 2.8 years

Years of Audit Experience: 12.3 years

Education: University of Phoenix

Bachelor of Science in Business/Accounting

Master of Business Administration

Certifications: CGAP and CFE

Senior Auditor: Julie Franco

Years of EPISD Service: 1.7 years

Years of Audit Experience: 10.2 years

Education: University of Texas at El Paso
Bachelor of Business Administration, Accounting

Internal Auditor: Yvonne T. Herrera

Years of EPISD Service: 13 years (also worked for another district for 5 years)

Years of Audit Experience: 17 years

Education: University of Phoenix
Bachelor of Science, Business Information Systems

Certifications: CFE and Certified Texas School Business Specialist (CTSBS)

Internal Auditor: Susana (Sue) Ramirez

Years of EPISD Service: 2.1 years (also worked for two other districts for over 10 years)

Years of Audit Experience: 12.5 years

Education: University of Texas at El Paso
Bachelor of Business Administration, Accounting

Certifications: CFE and RTSBA



El Paso ISD Board

Israel Irrobali | President
Valerie Beals | Vice-President
Isabel Hernandez | Secretary
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Internal Audit

Assurance | Insight | Objectivity

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Risk Assessment & Proposed 2024-2025 Audit Plan

MAYRA G. MARTINEZ, CIA, CFE, CGAP, RTSBA
Chief Internal Auditor, El Paso Independent School District

Internal Audit Mission

The mission of Internal Audit is to enhance and protect the El Paso Independent School District's (EPISD) organizational value by providing risk-based and objective assurance, advice, and insight.

We carry out our mission by using a systematic, disciplined approach to evaluate and improve the effectiveness of EPISD's governance, risk management, and control processes.



Audit Plan Overview

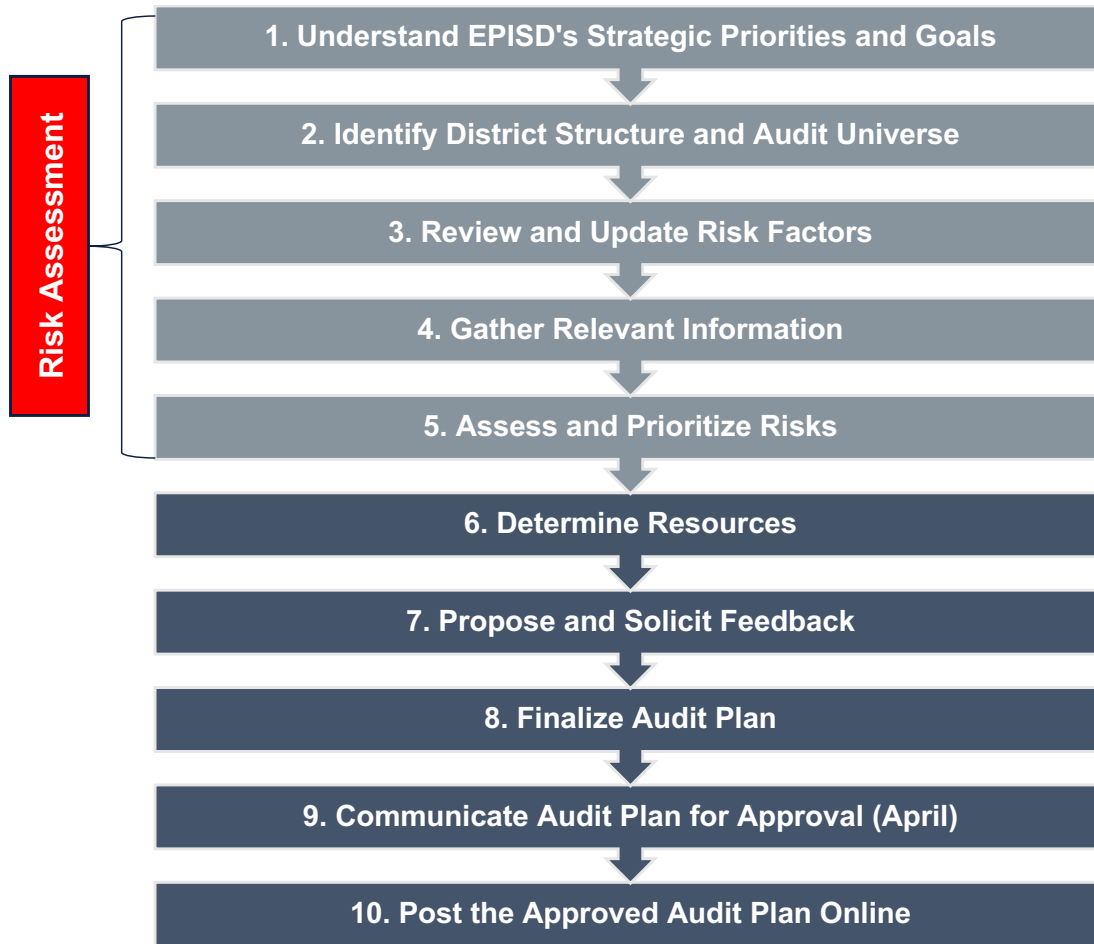
The 2024-2025 Audit Plan:

1. Supports EPISD in achieving its Strategic Blueprint,
2. Is based on a documented risk assessment, and
3. Is flexible to ensure Internal Audit can be responsive to unforeseen issues and changes in EPISD's risks, operations, programs, systems, and controls.

In developing the Audit Plan, the Chief Internal Auditor obtained input from District leadership and the Board of Trustees. The plan covers the period from July 1, 2024, to June 30, 2025. Board Policy CFC (Local) requires the Audit Plan to be submitted to the Board of Trustees for approval in April of each year.



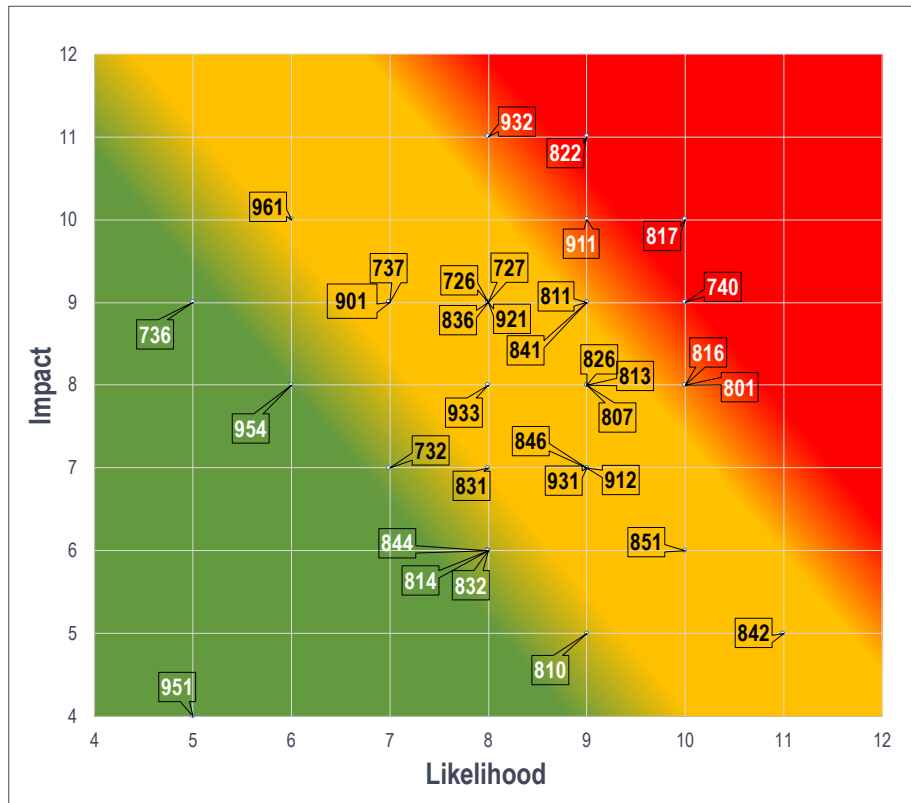
Audit Plan Development Process



Risk Assessment Results (Heat Map)

Auditable Units	
726 Human Resources	832 Athletics
727 Financial Services	836 Federal/State Programs & Fund Development
732 Communications	841 Counseling and Advising
736 Treasury Services	842 Digital and Learning Resources
737 Budget & External Financial Management Office	844 Health Services
740 Procurement and School Resources	846 Leadership & Talent Development
801 Teaching and Learning	851 Early Childhood Learning
807 Whole Learner Support and Intervention	901 Police Services
810 Health, Wellness, and Physical Education	911 Information Technology
811 Connecting Languages	912 Strategic Planning, Analytics, & Accountability
813 Career and Technology Education	921 Transportation Services
814 Equity & Stakeholder Engagement	931 Custodial Operations
816 Student Retention & Truancy Prevention	932 Facilities and Construction
817 Student Services	933 Maintenance, Buildings and Grounds
822 Special Education	951 Print Shop Operations
826 College & Career Readiness & Innovation	954 Risk Management
831 Fine Arts	961 Food and Nutrition Services

Refer to **Attachment B** in the Audit Plan for the complete Risk Assessment results



Determining Resources

The Chief Internal Auditor ensures that Internal Audit resources are appropriate, sufficient, and effectively deployed to achieve the Audit Plan.

- Appropriate: Ensuring Internal Audit staff have the knowledge, skills, and other competencies collectively needed to carry out engagements. Please refer to **Attachment C** in the Audit Plan for Internal Audit staff qualifications.
- Sufficient: Obtaining the financial, staff, and technology resources needed to implement the Audit Plan.
- Effectively deployed: Ensuring financial, staff, and technological resources are allocated in a way that optimizes the achievement of the Audit Plan.



2024-2025 Staff Hours (Resources)

Exhibit 4: Available Budgeted Hours Calculation

Category	Hours
A. Employee Days on Duty	226
B. Number of hours per day	8
C. Auditor Full-time Equivalents (FTEs)	8
D. Available Budgeted Hours (A x B x C)	14,464

Exhibit 5: Project Hours Calculation

Category	Hours	Percentage
D. Available Budgeted Hours (from Exhibit 4)	14,464	100%
Less:		
E. Staff leave hours	832	6%
F. Professional development hours	520	4%
G. Administrative duties hours	3,245	22%
H. Project Hours Available (D - E - F - G)	9,867	68%



Propose and Solicit Feedback

The Chief Internal Auditor reviewed/discussed the risk assessment results and got input/buy-in on potential Audit Plan engagements from:

- Executive cabinet-level administrators,
- The Superintendent, and
- The Board of Trustees.

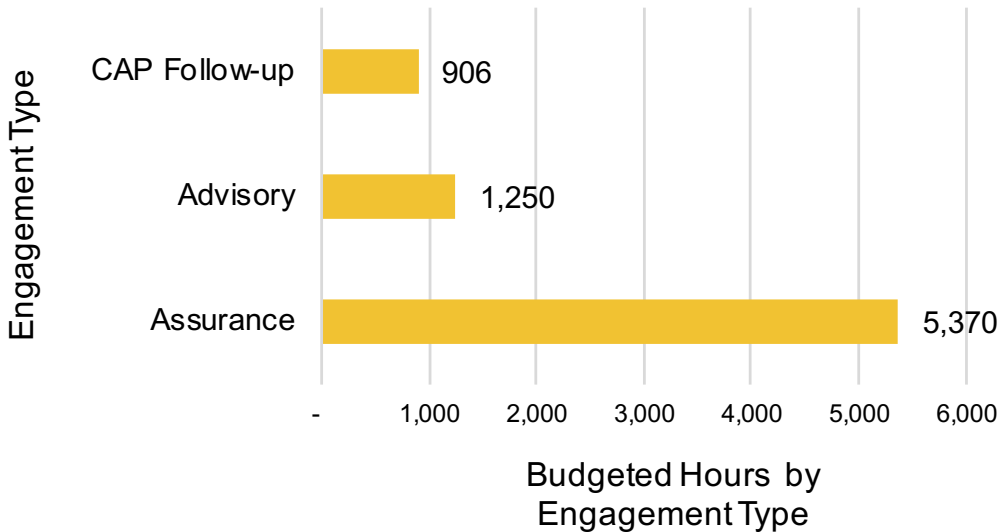
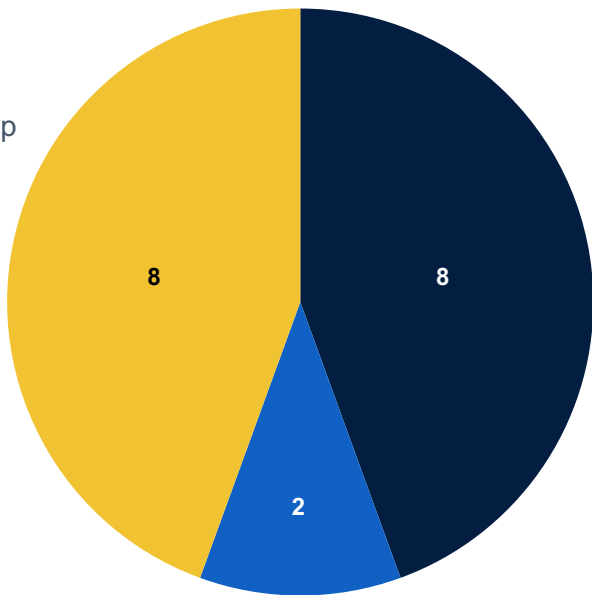
We finalized the list of potential projects based on the risk assessment results, input, and available Internal Audit resources.



Audit Plan Engagements

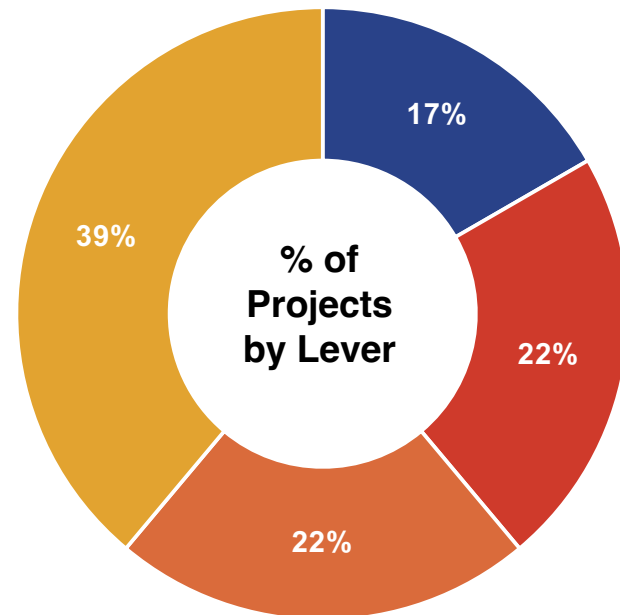
The 2024-2025 Audit Plan includes 18 engagements:

■ Assurance
■ Advisory
■ CAP Follow-up



Strategic Planning

The 18 engagements will support four of the five Strategic Levers in EPISD's Strategic Blueprint. Engagements were not included to directly support Strategic Lever V Equity by Design since EPISD has scheduled a comprehensive equity audit.



Audit Plan Engagements

Engagement (Auditable Unit)		Broad Objective(s)	Strategic Lever Reference	Risk Rank (Likelihood/Impact)
1	1:1 Student Devices Audit (School Resources and IT)	Review and assess controls and effectiveness of the District's 1:1 student devices inventory process	III. Destination District	High/Medium
2	504 Plans Audit (Whole Learner Support and Intervention)	Review and assess controls and/or compliance with state and local requirements related to 504 plans.	II. Academic Excellence	Medium/Medium
3	Activity Funds Advisory Engagement (Financial Services)	Provide advisory services related to the monitoring of Activity Funds. The nature and scope of which will be agreed upon with the Financial Services team.	IV. Culture of Accountability	Medium/Medium
4	Attendance Audit (Student Services)	Determine if attendance is recorded accurately in accordance with the TEA's Student Attendance Accounting Handbook and the District's Attendance Procedures Manual.	IV. Culture of Accountability	High/High
5	Change Management Audit (Information Technology)	Review IT's change management process to ensure it is controlled, monitored, and complies with industry-leading practices.	IV. Culture of Accountability	Medium/High
6	Discipline Audit CAP Follow-up Review (Student Services)	Determine whether management implemented the CAP activities or took other actions to address findings and recommendations in the Discipline Audit.	I. Whole Child Development	High/High



Audit Plan Engagements

Engagement (Auditable Unit)		Broad Objective(s)	Strategic Lever Reference	Risk Rank (Likelihood/Impact)
7	ESSER Audit CAP Follow-up Review (Organizational Transformation and Equity)	Determine whether management implemented the CAP activities or took other actions to address any findings and recommendations in the ESSER Audit.	IV. Culture of Accountability	Medium/Medium
8	IT Advisory Engagement (Information Technology)	Provide strategic IT advisory services for a high-priority project to proactively identify and mitigate potential risks that could impede progress and implementation of solutions to maximize operational efficiency. The nature and scope of which will be agreed upon with the IT team.	IV. Culture of Accountability	Medium/High
9	Leavers Audit (Student Services)	Review and assess controls and/or compliance with state requirements related to the coding and documentation for leavers (student dropouts).	II. Academic Excellence	High/High
10	Leavers Audit CAP Follow-up Review (Student Services)	Determine whether management implemented the CAP activities or took other actions to address any findings and recommendations in the Leavers Audit.	II. Academic Excellence	High/High
11	Maintenance Audit (Maintenance Buildings, and Grounds)	Review and assess the operations of the Maintenance Department. (Roll-forward audit)	III. Destination District	Medium/Medium



Audit Plan Engagements

	Engagement (Auditable Unit)	Broad Objective(s)	Strategic Lever Reference	Risk Rank (Likelihood/Impact)
12	Maintenance Audit CAP Follow-up Review (Maintenance Buildings, and Grounds)	Determine whether management implemented the CAP activities or took other actions to address any findings and recommendations in the Maintenance Audit.	III. Destination District	Medium/Medium
13	PEIMS Audit CAP Follow-up Review (Information Technology)	Determine whether management implemented the CAP activities or took other actions to address findings and recommendations in the PEIMS Audit.	IV. Culture of Accountability	Medium/High
14	PowerUp Audit CAP Follow-up Review (School Resources and IT)	Determine whether management implemented the CAP activities or took other actions to address the findings and recommendations in the PowerUp Audit.	III. Destination District	High/Medium
15	Special Education Audit (Special Education)	Review and assess controls and/or compliance with state and local requirements related to the handling of discipline incidents for Special Education students. (Roll-forward audit)	I. Whole Child Development	Medium/High
16	Special Education Audit CAP Follow-up Review (Special Education)	Determine whether management implemented the CAP activities or took other actions to address any findings and recommendations in the Special Education Audit.	I. Whole Child Development	Medium/High

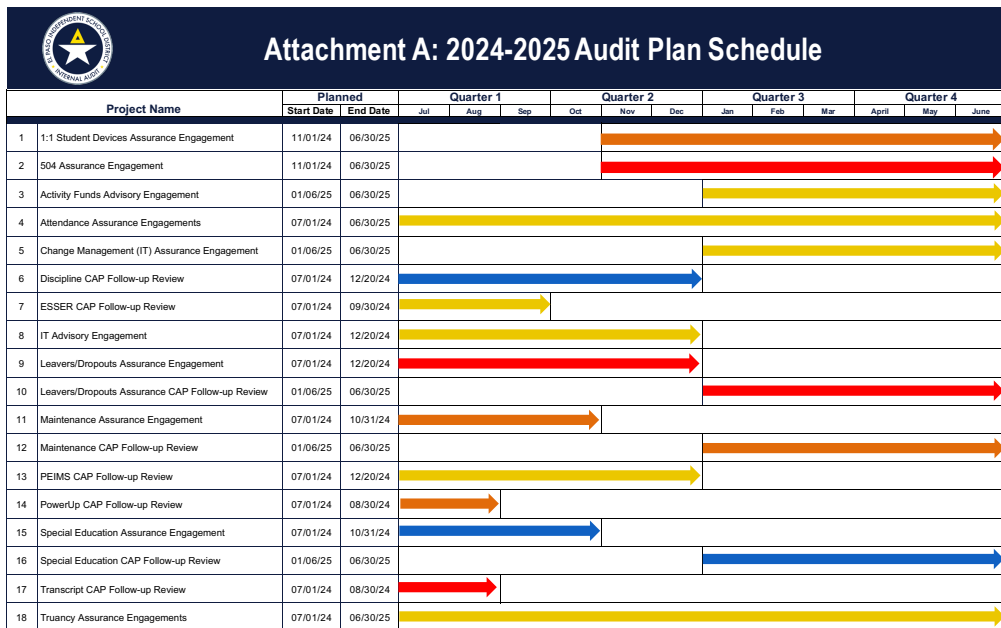
Audit Plan Engagements

	Engagement (Auditable Unit)	Broad Objective(s)	Strategic Lever Reference	Risk Rank (Likelihood/Impact)
17	Transcript Audit CAP Follow-up Review (Counseling and Advising)	Determine whether management implemented CAP activities or took other actions to address any findings, observation(s), or recommendations in the Transcript Audit.	II. Academic Excellence	Medium/Medium
18	Truancy Audit (Student Retention and Truancy Prevention)	Determine whether (i) parents are notified when students have three or more unexcused absences within a four-week period and (ii) 45-day attendance improvement plans are developed and implemented.	IV. Culture of Accountability	High/Medium



Audit Plan Schedule

A preliminary Audit Plan schedule (timing of engagements) is provided in **Attachment A** of the Audit Plan



Other Activities in the Audit Plan

We also budgeted hours in the Audit Plan for the following:

- Administrative duties,
- Employee leave,
- Monitoring of the Fraud, Waste, and Abuse Hotline,
- Activities recommended or required by the IIA *Standards*,
- Professional development for auditors, and
- Contingency hours





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<https://www.reportlineweb.com/EPISD> or (800) 620-8591





**BOARD OF TRUSTEES AUDIT COMMITTEE MEETING
EXECUTIVE SUMMARY OF COMMITTEE AGENDA ITEM**

TITLE:

Presentation and Discussion of Internal Audit Activity Report for Quarter 3

STAFF RESPONSIBLE:

Mayra G. Martinez, Chief Internal Auditor

SUMMARY:

The Internal Audit Charter (Board Policy CFC Exhibit) states that the Chief Internal Auditor has the responsibility to:

- Provide quarterly reports to the Board on Internal Audit's plan and performance relative to its plan.
- Follow up on engagement findings and corrective actions, and report to the Board and senior management any corrective actions not effectively implemented or unduly delayed.

Based on these requirements, this activity report includes the following:

1. Status of the Audit Plan
2. Status of Corrective Action Plans

Our activity reports demonstrate our efforts to (i) evaluate and contribute to improving the EPISD's governance, risk management, and control processes and (ii) meet the Board's mandate for Internal Audit.

ATTACHMENTS:

Description

- ▢ Board Audit Committee Meeting_240411
- ▢ FY24_Internal Audit Activity Report (Q3)



Internal Audit Activity Report

Fiscal Year 2023-2024 – Quarter 3

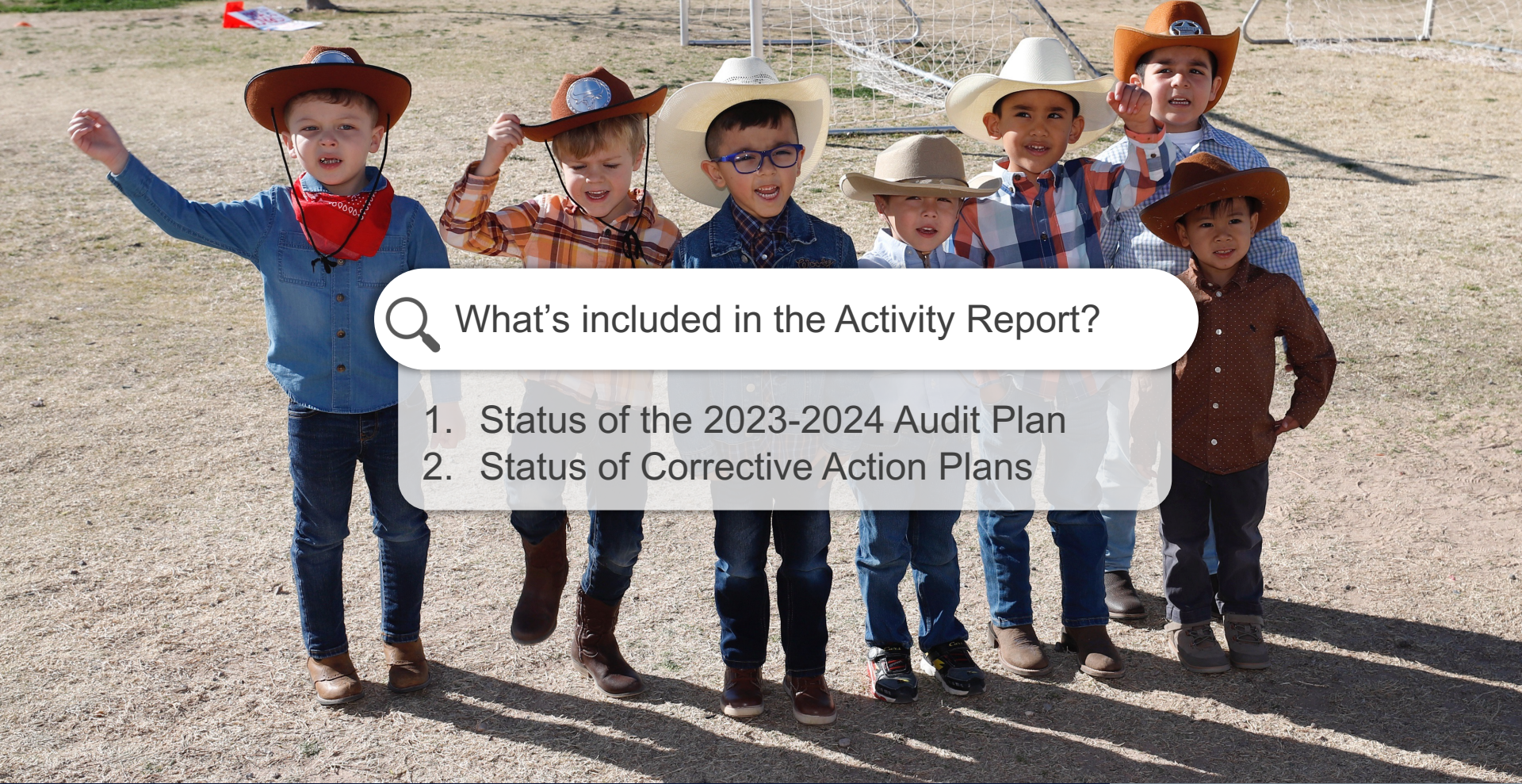
MAYRA G. MARTINEZ, CIA, CFE, CGAP, RTSBA

Chief Internal Auditor, El Paso Independent School District



Photos by the EPISD Communications Department





🔍 What's included in the Activity Report?

- 1. Status of the 2023-2024 Audit Plan
- 2. Status of Corrective Action Plans



Acronyms

CAP	Corrective Action Plan
ESSER	Elementary and Secondary School Emergency Relief
IIA	Institute of Internal Auditors
GT	Gifted and Talented
PEIMS	Public Education Information Management System
PK	Prekindergarten
TEA	Texas Education Agency



2023-2024 Audit Plan

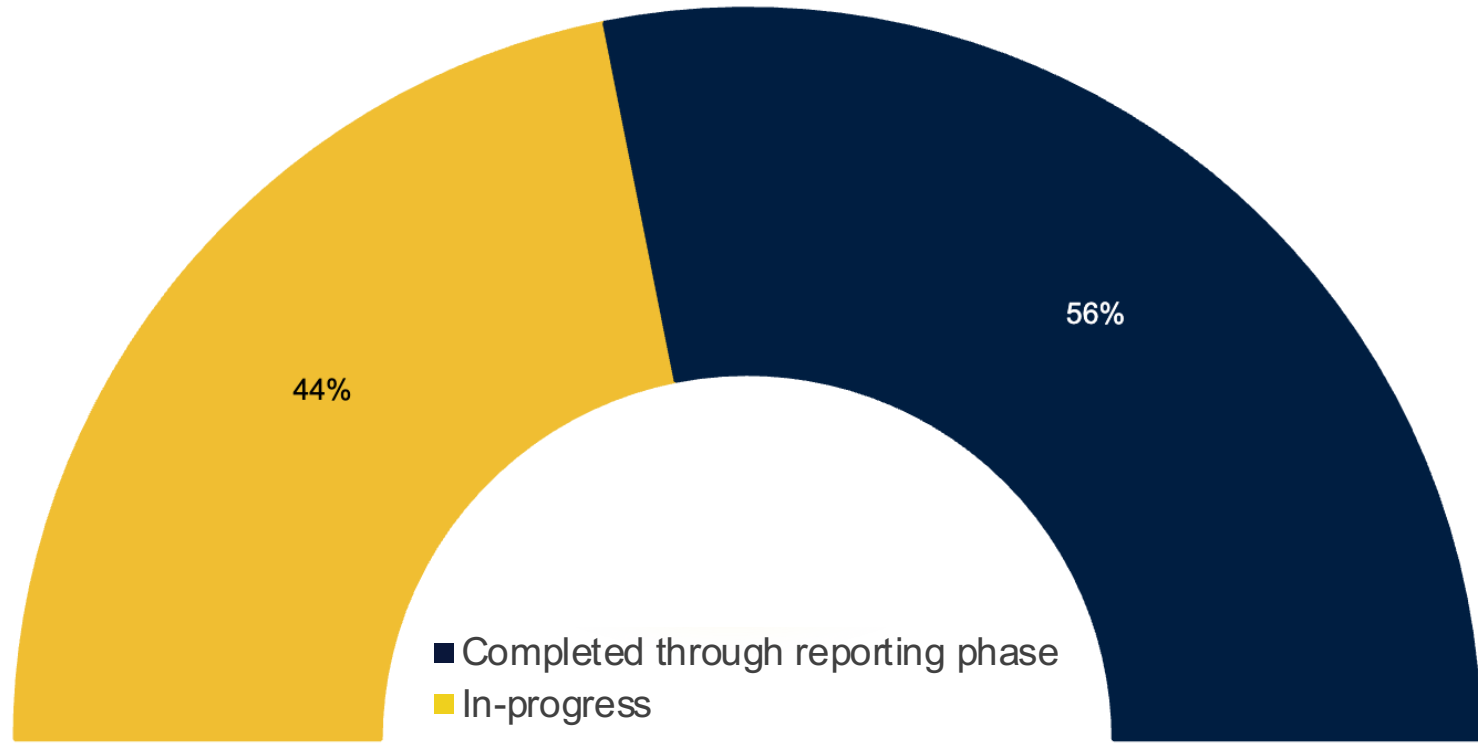
The Audit Plan covers the period of July 1, 2023, to June 30, 2024. The reporting period for the Activity Report is July 1, 2023, to March 29, 2024 (Quarter 3).

14		3		1		16
Planned Engagements	+	Engagements Added	-	Engagement Removed	=	Total Engagements

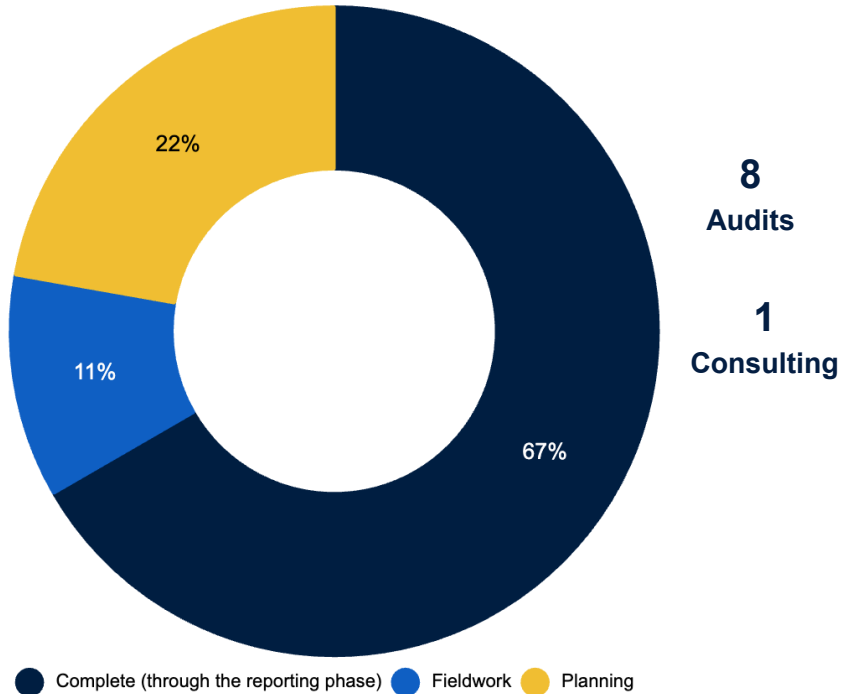
Engagements include 8 audits, 1 consulting, and 7 CAP follow-up reviews.



2023-2024 Audit Plan Completion

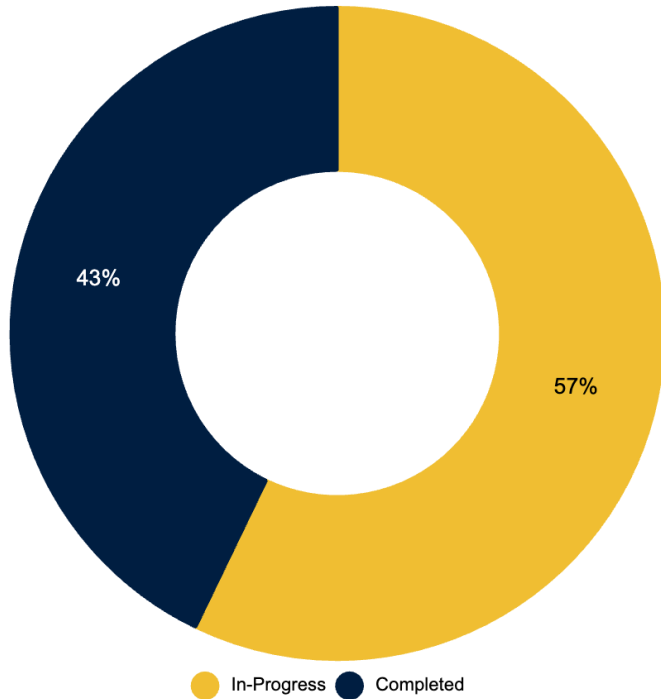


Audit and Consulting Engagements



Engagement Code	Engagement Name	Status
24.01.1A	Activity Funds Audits	Complete
24.01.2A	Attendance Audits	Complete
24.01.3A	Truancy Audits	Complete
24.08.A	Discipline Audit	Complete
24.05.A	PEIMS Audit	Reporting
24.02.A	ESSER Audit	Reporting
24.03.C	Gifted and Talented (GT) Consulting Engagement	Fieldwork
24.04.A	Maintenance Audit	Planning
24.07.A	Special Education Program Audit	Planning

CAP Follow-up Review Engagements



3
Completed

4
In-Progress

Engagement Code	Engagement Name	Status of CAP
22.13.F	Interlocal Cooperative Contract Purchases Audit CAP	Closed
23.00-01.F	Prekindergarten Class Size Concerns at Elementary School Investigation CAP	Closed
23.05.F	Payroll Audit CAP	Closed
22.09.F	Dual-Language Audit CAP	Open
23.06.F	Power Up Audit CAP	Open
24.01-02.F	Campus Systems Audit: Tinajero CAP	Open
23.08.F	Transcripts Audit CAP	Open



Engagements Completed

Discipline Audit (24.08.A)

The objectives of the audit were to determine whether:

- a. Actions taken by school administrators for student disciplinary incidents were in adherence to the Student Code of Conduct, Board Policy, and the Student and Parent Services Administrative Reference Guide for disciplinary removals.
- b. District data for disciplinary removals reported in the Public Education Information Management System (PEIMS) 2023 summer submission was complete and accurate.

The scope of the audit was disciplinary incidents that resulted in students being removed from the classroom or school during the 2022-2023 school year.



Engagements Completed (Summary of Results)

Discipline Audit (24.08.A)

Actions taken by school administrators for the disciplinary removals in our sample were (i) in adherence to the Student Code of Conduct, Board Policy, and the Student and Parent Services Administrative Reference Guide and (ii) within two (2) business days or sooner depending on the severity of the violation.

However, the following findings were noted:

1. Thirty-one (.5%) of 6,866 disciplinary incidents with removal action codes were not included in the PEIMS 2022-2023 Summer Submission report.
2. One (1) disciplinary action was not taken.
3. For one (1) of 60 disciplinary removals sampled, the signed supporting documentation did not agree to the action taken record in Frontline.



Engagements Completed

PEIMS Audit (24.05.A)

The objectives of the audit were to determine whether:

- a. Campus principals verified data in the PEIMS Data Collection Reports and Campus Summary Reports (Principal Report) for accuracy and completeness.
- b. Special Program Directors and staff reviewed the PEIMS data submitted for accuracy and completeness.
- c. Training has been provided to campus staff on how to clear fatal errors and check data validity for PEIMS Submissions.

The scope of the audit was the 2022-2023 PEIMS Summer Submission data from July 1, 2022, through June 30, 2023.



Engagements Completed (Summary of Results)

PEIMS Audit (24.05.A)

1. Seven (7) or 9% of 76 Campus Summary Report surveys were not located or completed to acknowledge the principal verified the accuracy and authenticity of PEIMS data. Also, twelve (12) or 16% of 76 Statement of Approval forms were not located or completed.

For the nine campuses in our sample:

- a. Two (2) principals did not have a process in place to verify data in the reports listed on the Statement of Approval forms.
- b. Three (3) of the 40 students in our sample did not have documentation to support the early reading indicator code reported through PEIMS.
- c. 15 students were incorrectly coded as receiving Dyslexia Instruction Services at one campus.



Engagements Completed (Summary of Results)

PEIMS Audit (24.05.A)

2. One (1) district level staff member did not review special program PEIMS data for accuracy.
3. Campuses were instructed to code students with a 00, for their Dyslexia Services Code, when a student is exited from DRD Services but is still receiving accommodations for dyslexia. Per TEA's Dyslexia PEIMS Coding Overview, a code of 00 should be used when no services are being received for dyslexia or a related disorder.
4. Campus administrators indicated they would like additional training to check data validity and fatal errors on OnPoint and/or Frontline.



Engagements Completed

ESSER Audit (24.02.A)

The objectives of the audit were to determine whether the District is:

- a. Monitoring the ESSER III project funds so they are spent timely and in their entirety.
- b. Spending a minimum of 20% on learning loss projects as required by the United States Department of Education.
- c. Implementing the ESSER III “Use of Funds Plan” as submitted to the Texas Education Agency.

The scope focused on the ESSER III grant, which has a period of availability from March 13, 2020, to September 30, 2024.



Engagements Completed (Summary of Results)

ESSER Audit (24.02.A)

1. The Fund Development Department monitors the spending of the ESSER III funds through spreadsheets and a dashboard, as well as communication with project leads, cabinet meetings, the Superintendent, and the Board of Trustees.
2. The District had spent 22% of the allotted ESSER III grant in 18 learning loss projects as of October 17, 2023, exceeding the minimum of 20% required by the United States Department of Education.



Engagements Completed (Summary of Results)

ESSER Audit (24.02.A)

3. The Student Attendance Tracking Project's focus and expected outcomes were changed. The ESSER III Dashboard was not updated to reflect the changes. The expected outcome of improved safety and security remains, but the project will not address the outcomes related to attendance and increased instructional time.
4. The Project Lead for the Mental Health Support and College Access Project mentioned that the project was partially implemented. However, the project shows as "Complete" on the ESSER III Dashboard on the District's website. The "Use of Funds Plan" shows that the project had an initial budget of \$2,429,340. The amended budget in Frontline and the total amount spent on this project was reduced to \$46,775 (2% of the original planned amount).



Engagements Completed (Summary of Results)

ESSER Audit (24.02.A)

5. The Special Education Learning Loss Project has not been evaluated to measure against the expected outcomes outlined in the “Use of Funds Plan.” The project is classified as “Complete” on the ESSER III Dashboard. The “Use of Funds Plan” shows the project had an original budget of \$6,255,287. The amount spent is \$2,236,577 (approximately 36% of the original budget).
6. There is a lag in the implementation of the Planetarium project. The project is classified as “Active” (in progress) on the ESSER III Dashboard. The amount spent for the project is \$70,000 (12.5% of the project budget of \$560,000).



Engagements Completed (Summary of Results)

ESSER Audit (24.02.A)

7. There is no formal process in place for documenting the justification for not implementing projects. Projects #72 EL Tutor Elementary (allocated \$6.2M) and Project #86 Content Learning Centers for Secondary (allocated \$15.9M) were not implemented. Justification documentation (for not implementing the projects) and the dates when it was decided not to implement were not located. During our meetings with project leads they explained that the projects were not implemented because of the challenges encountered at the time due to the pandemic with hiring qualified teachers and tutors.



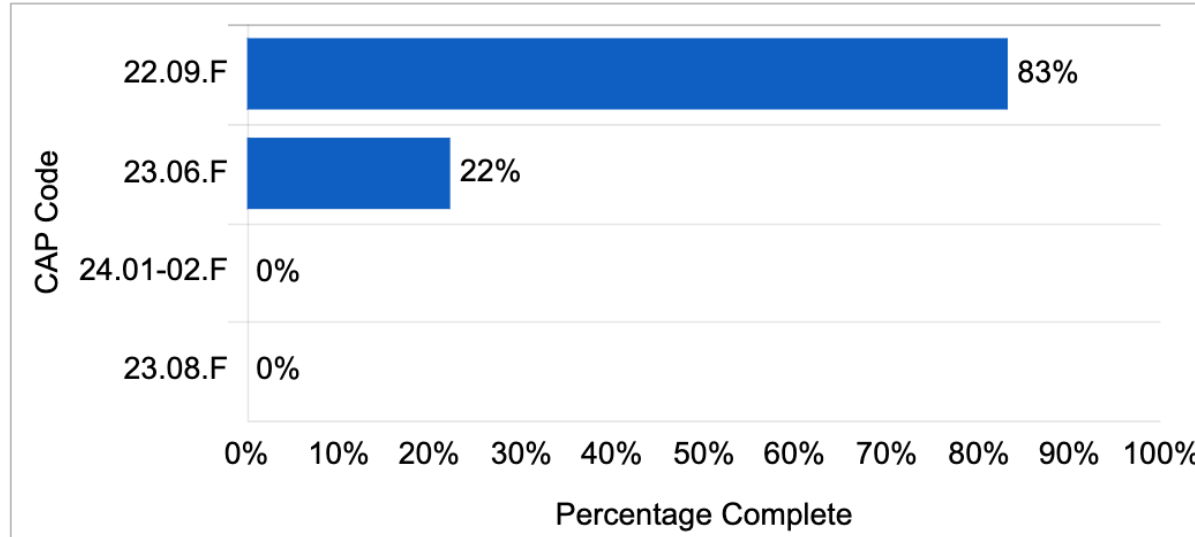
Status of Open Corrective Action Plans

4 Corrective Action Plans (CAPs) are open and are in the implementation phase.

Engagement Code	Engagement Name	Start Date	Due Date
22.09.F	Dual-Language Audit CAP	09/19/23	06/30/24
23.06.F	Power Up Audit CAP	09/12/23	06/27/24
24.01-02.F	Campus Systems Audit: Tinajero CAP	01/29/24	04/01/24
23.08.F	Transcripts Audit CAP	11/01/23	05/31/24



Open CAPs: Completion Percentage

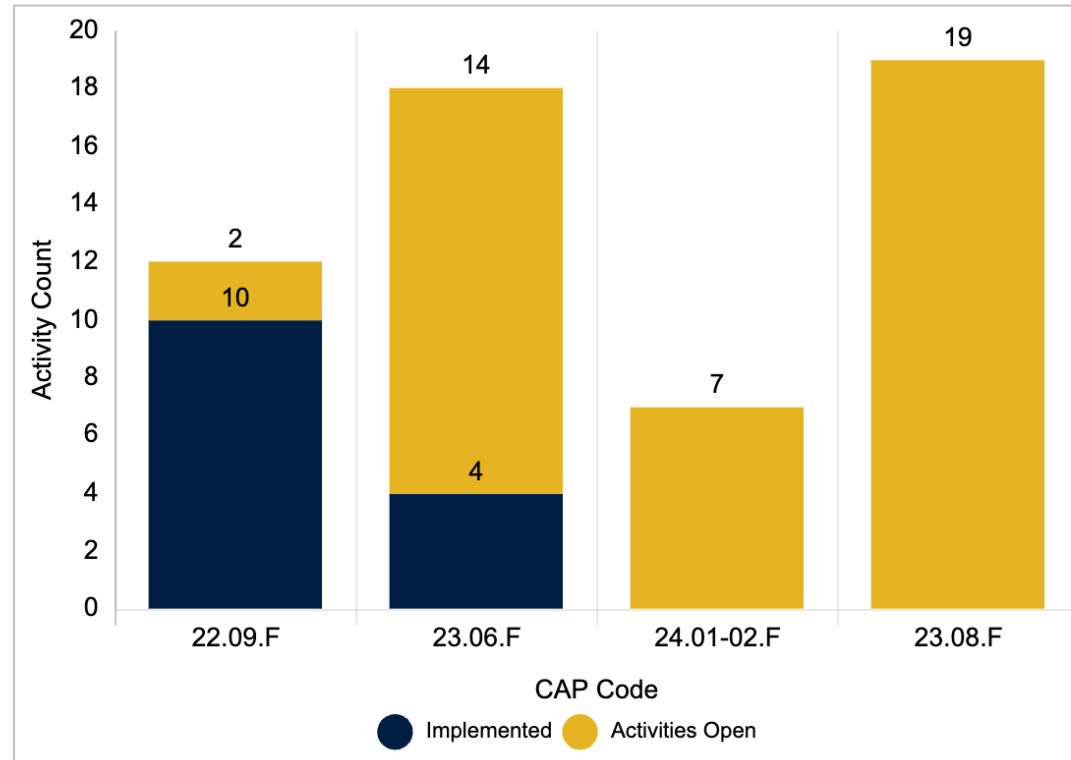


Legend:

Engagement Code	Engagement Name
22.09.F	Dual-Language Audit CAP
23.06.F	Power Up Audit CAP
24.01-02.F	Campus Systems Audit: Tinajero CAP
23.08.F	Transcripts Audit CAP



Open CAPs: Status of Activities

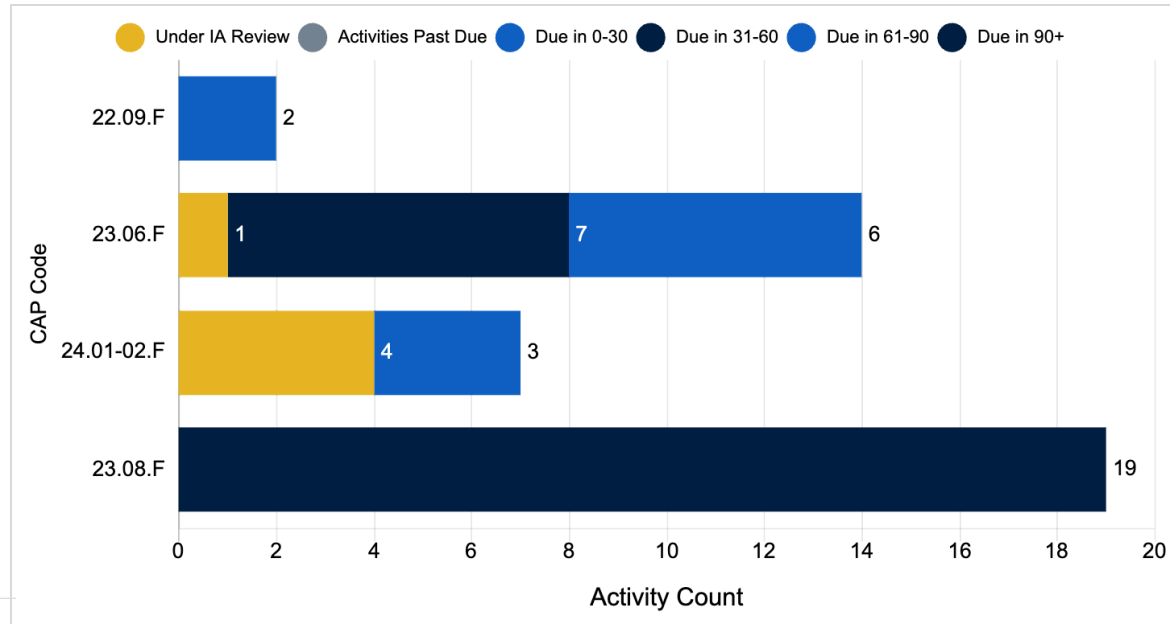


Legend:

Engagement Code	Engagement Name
22.09.F	Dual-Language Audit CAP
23.06.F	Power Up Audit CAP
24.01-02.F	Campus Systems Audit: Tinajero CAP
23.08.F	Transcripts Audit CAP



Open CAPs: Due Date Ranges for Activities



Legend:

Engagement Code	Engagement Name
22.09.F	Dual-Language Audit CAP
23.06.F	Power Up Audit CAP
24.01-02.F	Campus Systems Audit: Tinajero CAP
23.08.F	Transcripts Audit CAP



CAP Delays

23.06.F PowerUp Audit CAP: This CAP contains 18 activities and has been open for six (6) months. Four (4) activities have been implemented, and 14 are in progress.

A second CAP extension was requested on February 29, 2024, for 13 activities. The new due dates are May 31, 2024, and June 27, 2024. Justifications provided by management include:

- “Procedures are currently being updated...As the processes have been updated the need for additional work needs to be put into place to ensure consistency and transparency.”
- “We request an extension to provide adequate training for all parties to correctly understand the process and provide accurate details for all student devices.”
- “Job descriptions will be updated with new responsibilities and training will be provided to those affected employees.”





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Internal Audit Activity Report

Fiscal Year 2023 - 2024



Assurance | Insight | Objectivity

Quarter 3
April 11, 2024

EPISD



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it starts with us

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ASSURANCE • INSIGHT • OBJECTIVITY

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Abbreviations

CAM	Campus Accounting Manual
CAP	Corrective Action Plan
CFE	Certified Fraud Examiner
CGAP	Certified Government Auditing Professional
CIA	Certified Internal Auditor
ESSER	Elementary and Secondary School Emergency Relief
IIA	Institute of Internal Auditors
PEIMS	Public Education Information Management System
PK	Prekindergarten
RTSBA	Registered Texas School Business Administrator
SAAH	Student Attendance Accounting Handbook
TEA	Texas Education Agency



Activity Report

ASSURANCE • INSIGHT • OBJECTIVITY

Introduction

The mission of Internal Audit is to enhance and protect the El Paso Independent School District's (EPISD) organizational value by providing risk-based and objective assurance, advice, and insight. We carry out our mission using a systematic, disciplined approach to evaluate and improve the effectiveness of EPISD's governance, risk management, and control processes.

Internal Audit activities are governed by the Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing (Standards). The IIA *Standards* require the Chief Internal Auditor to report periodically to the Board of Trustees (Board) on Internal Audit's performance relative to its plan. According to the Internal Audit Charter (Board Policy CFC Exhibit), the Chief Internal Auditor has the responsibility to:

- Provide quarterly reports to the Board on Internal Audit's plan and performance relative to its plan.
- Follow up on engagement findings and corrective actions, and report to the Board any corrective actions not effectively implemented or unduly delayed.

Based on these responsibilities, this activity report includes (through Quarter 3) the following:

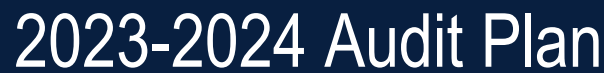
- 01 Status of the 2023-2024 Audit Plan
- 02 Status of Corrective Action Plans

Ultimately, the purpose of the Internal Audit quarterly activity reports is for accountability purposes, to demonstrate Internal Audit's efforts to meet the Board's mandate. I want to thank the Board for their continued support and management/leadership for their cooperation and responsiveness. I would also like to thank the Internal Audit staff for their work and ongoing dedication to the practice of internal auditing.

Respectfully,

A handwritten signature in black ink, appearing to read "Mayra G. Martinez".

Mayra G. Martinez, CIA, CGAP, CFE, RTSBA



ASSURANCE • INSIGHT • OBJECTIVITY

The 2023-2024 Audit Plan covers the period of July 1, 2023, to June 30, 2024. The Board approved the Audit Plan on April 18, 2023. The approved Audit Plan included 14 planned assurance (audit), consulting, and Corrective Action Plan (CAP) follow-up review engagements. Adjustments that have been made to the Audit Plan are summarized (by additions/removal) below.

Additions:

1. The CAP follow-up review (for the Interlocal Cooperative Contract Purchases Audit) was rolled forward from the 2022-2023 fiscal year due to one pending (open) activity.
2. A CAP follow-up review was added to address findings from an investigation of prekindergarten class size concerns at an elementary school.
3. A CAP follow-up review was added to address findings from the Campus Systems Audit (attendance and truancy) for Tinajero PK-8.

Removal:

1. A request is being submitted to the Board on April 16, 2024, to remove an audit of software utilization from the Audit Plan. This adjustment is proposed due to changes in the District priorities for the Information Technology (IT) Department. The hours for this project will be reallocated to contingency to support the IT Department through consulting services for high-priority initiatives.

As such, the adjusted total number of engagements in the Audit Plan is 16.

14		3		1		16
Planned Engagements	+	Engagements Added	-	Engagement Removed	=	Total Engagements

We also budgeted hours in the Audit Plan for Contingency hours for unplanned activities/engagements to ensure the risk-based plan is flexible and Internal Audit can be responsive to changes from unforeseen issues and events during the year. We took hours from contingency for the three engagements listed under “additions.”

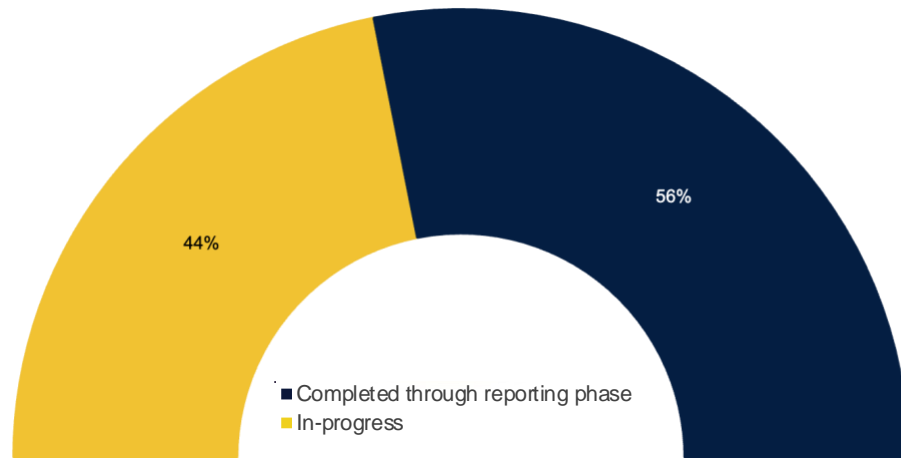
Other budgeted hours in the Audit Plan were set aside for:

- Administrative duties,
- Employee leave,
- Monitoring of the Fraud, Waste, and Abuse Hotline,
- Activities recommended or required by the IIA *Standards* (including the External Quality Assessment), and
- Professional development for auditors.

Status of Audit Plan

As summarized in **Exhibit 1**, we completed (through the reporting phase) nine of the 16 (56%) engagements in the Audit Plan. The other seven engagements (44%) are in progress. For a summary of the results of the completed engagements, refer to the [Summaries of Audit Plan Engagements](#) section in this report.

Exhibit 1: Audit Plan Percentage Completion



For reporting purposes, we have divided the Audit Plan into two groups. Group 1 includes 9 assurance (audit) and consulting engagements. **Exhibit 2** provides the overall status of the engagements in Group 1. As illustrated, six (67%) engagements have been completed through the reporting phase, and three (33%) engagements are in progress. **Exhibit 3** provides the status by engagement.

Exhibit 2: Overall Status of Assurance and Consulting Engagements

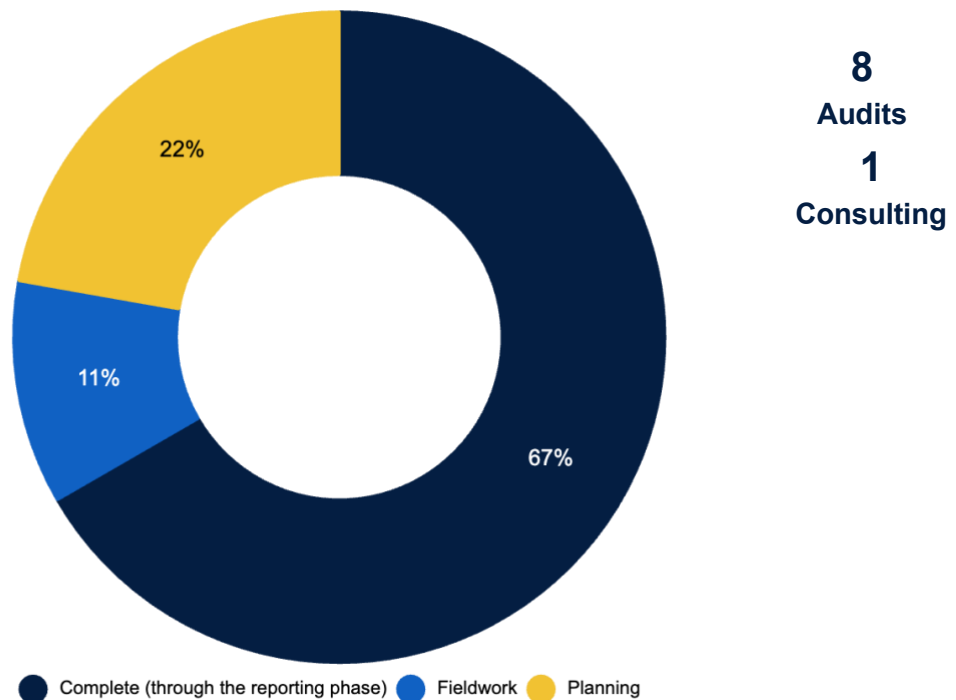


Exhibit 3: Status by Assurance and Consulting Engagement

Engagement Code	Engagement Name	Status
24.01.1A	Activity Funds Audits	Complete
24.01.2A	Attendance Audits	Complete
24.01.3A	Truancy Audits	Complete
24.08.A	Discipline Audit	Complete
24.05.A	PEIMS Audit	Reporting
24.02.A	ESSER Audit	Reporting
24.03.C	Gifted and Talented (GT) Consulting Engagement	Fieldwork
24.04.A	Maintenance Audit	Planning
24.07.A	Special Education Program Audit	Planning

Group 2 includes seven CAP follow-up review engagements. **Exhibit 4** provides the overall status of the engagements in Group 2. As illustrated, we have completed three (43%) of the seven CAP follow-up reviews in the Audit Plan. **Exhibit 5** provides the status by engagement. Refer to the [Corrective Action Plans](#) section in this report for status information on the open CAPs.

Exhibit 4: Overall Status of CAP Follow-up Review Engagements

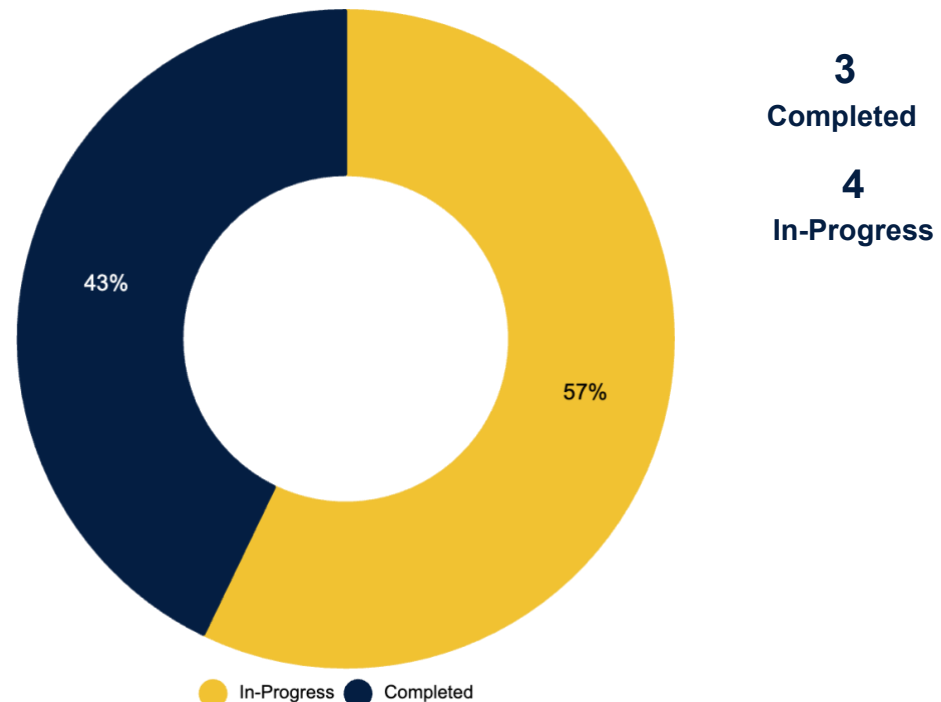


Exhibit 5: Status by CAP Follow-up Review Engagement

Engagement Code	Engagement Name	Status of CAP Follow-up Review
22.13.F	Interlocal Cooperative Contract Purchases Audit CAP	Completed
23.00-01.F	Prekindergarten Class Size Concerns at Elementary School Investigation CAP	Completed
23.05.F	Payroll Audit CAP	Completed
22.09.F	Dual-Language Audit CAP	In-progress
23.06.F	Power Up Audit CAP	In-progress
24.01-02.F	Campus Systems Audit: Tinajero CAP	In-progress
23.08.F	Transcripts Audit CAP	In-progress

Summaries of Audit Plan Engagements

This section includes a summary of the objectives, scope, and results for the engagements completed.

1. **Activity Funds Audits (24.01.A)**

The objectives of the audit were to determine if school staff are following the District's procedures for activity funds in the Campus Accounting Manual as it pertains to:

- a. Collections in the vault are receipted and secured.
- b. Deposits are supported.
- c. Disbursements and transfers between agency funds are approved, supported, and allowable.

The scope of the audit is the 2023-2024 school year. We have conducted audits at three campuses year-to-date. Note that for efficiency purposes, activity funds audits are conducted simultaneously with the truancy and attendance audits.

In summary,

1. Supporting documentation was not found for some of the disbursements tested. Also, some disbursements tested were approved after the fact.
2. Supporting documentation was not found for some deposits tested at one school.
3. Unreceipted funds totaling \$6,469 were stored in the vault at one school. Without receipts, there is no record of the monies the campus collects, including purpose, amount, collection date, the person paying, recipient, etc.
4. The Principal's secretary had access to the vault at one school, which is unallowable per the Campus Accounting Manual, as it is not necessary for the duties of the position. Note that the business agent position at this school was vacant at the time of our audit.
5. Also, there were instances of minor non-compliance issues as it relates to the transfer of funds approvals and dates on bank deposit slips.

Corrective action plans (CAPs) from campuses were not required at this time. However, Internal Audit will request evidence of the corrective actions taken by the Principal and management during future audits.

2. **Attendance Audits (24.01.A)**

The objectives of the audits were to determine if school staff are following the Texas Education Agency's (TEA) Student Attendance Accounting Handbook (SAAH) and the District's Attendance Procedures Manual as it pertains to:

- a. Attendance is taken and recorded accurately.
- b. Self-audits are performed.

The scope of the audits is the 2023-2024 school year. We have conducted audits at four campuses year-to-date. Note that for efficiency purposes, attendance audits are conducted simultaneously with the truancy and activity fund audits.

In summary,

1. Four campuses had unverified absences and no-note/no-call absences, which translates into a loss in state funding. See the table below summarizing absences and potential funding impact.

Campus	Number of Unverified/No note no call absences	Potential impact (state funding)
Campus 1	3,186	\$ 187,724
Campus 2	2,049	\$ 118,801
Campus 3	669	\$ 38,789
Campus 4	9,694	\$ 562,058
Total potential impact		\$ 907,372

2. Student attendance was not recorded accurately for some of the absences tested.
3. There were instances of non-compliance with the District's Attendance Procedures Manual relating to daily procedures. For example, attendance not taken, absence code reviews, training, inadequate supporting documentation, misfiled records, incorrect bell schedule times, and self-audits that were not performed or were incomplete.

Thus far, only a corrective action plan (CAP) was required (for campus 2). Internal Audit is monitoring the implementation of said CAP. For other campuses, Internal Audit will request evidence of the corrective actions taken by the Principal and management during future audits.

3. **Truancy Audits (24.01.A)**

The objectives of the audits were to determine if school staff (a) notify parents when students have three or more unexcused absences within a four-week period and (b) develop a 45-day attendance plan for the students who received a notice of absence.

The scope of the audits is the 2023-2024 school year. We have conducted audits at four campuses year-to-date. Note that for efficiency purposes, truancy audits are conducted simultaneously with the attendance and activity fund audits.

In summary,

1. Some of the students tested did not have a 45-Day Attendance Improvement Plan.
2. Some students had a 45-Day Attendance Improvement Plan, but the plan was not signed by the parent/student. As such, documentation is insufficient to confirm that the parent provided input in the development of the plan.

3. There are no timelines for sending Notice of Absence (NOA) letters.
4. There are no procedures to outline how campuses should document and track the distribution of the NOA letters to parents.
5. There are no monitoring procedures to ensure the 45-Day Attendance Improvement Plans are developed for students, including those who transfer from one EPISD campus to another.

Thus far, only a corrective action plan (CAP) was required (for campus 2). Internal Audit is monitoring the implementation of said CAP. For other campuses, Internal Audit will request evidence of the corrective actions taken by the Principal and management during future audits.

4. Discipline Audit (24.08.A)

The objectives of the audit were to determine if:

- a. Actions taken by school administrators for student disciplinary incidents were in adherence to the Student Code of Conduct, Board Policy, and the Student and Parent Services Administrative Reference Guide for disciplinary removals.
- b. District data for disciplinary removals reported in the Public Education Information Management System (PEIMS) 2023 summer submission was complete and accurate.

The scope of the audit was disciplinary incidents that resulted in students being removed from the classroom or school during the 2022-2023 school year.

In summary, actions taken by school administrators for the disciplinary removals in our sample were (i) in adherence to the Student Code of Conduct, Board Policy, and the Student and Parent Services Administrative Reference Guide and (ii) within two (2) business days or sooner depending on the severity of the violation.

However, the following findings were noted:

1. Thirty-one (.5%) of 6,866 disciplinary incidents with removal action codes were not included in the PEIMS 2022-2023 Summer Submission report.
2. One (1) disciplinary action was not taken.
3. For one (1) of 60 disciplinary removals sampled, the signed supporting documentation did not agree to the action taken record in Frontline.

District management and leadership submitted a CAP outlining activities to be implemented. Internal Audit will conduct follow-up reviews to validate that CAP activities are implemented.

5. PEIMS Audit (24.05.A)

The objectives of the audit were to determine whether:

- a. Campus principals verified data in the PEIMS Data Collection Reports and Campus Summary Reports (Principal Report) for accuracy and completeness.
- b. Special Program Directors and staff reviewed the PEIMS data submitted for accuracy and completeness.
- c. Training has been provided to campus staff on how to clear fatal errors and check data validity for PEIMS Submissions.

The scope of the audit was the 2022-2023 PEIMS Summer Submission data from July 1, 2022, through June 30, 2023.

In summary,

1. Seven (7) or 9% of 76 Campus Summary Report surveys were not located or completed to acknowledge the principal verified the accuracy and authenticity of PEIMS data. Also, twelve (12) or 16% of 76 Statement of Approval forms were not located or completed.

For the nine campuses in our sample:

- Two (2) principals did not have a process in place to verify data in the reports listed on the Statement of Approval forms.
 - Three (3) of the 40 students in our sample did not have documentation to support their early reading PEIMS coding.
 - Fifteen students were incorrectly coded as receiving Dyslexia Instruction Services at one campus.
2. One (1) district-level staff member did not review special program PEIMS data for accuracy.

Observations included:

- Campuses were instructed to code students with a 00, for their Dyslexia Services Code, when a student is exited from DRD Services but is still receiving accommodations for dyslexia. Per TEA's Dyslexia PEIMS Coding Overview, a code of 00 should be used when no services are being received for dyslexia or a related disorder.
- During the school year 2022-2023, PEIMS Conference training was arranged by the PEIMS Coordinator to provide an overview of topics such as attendance, discipline, and PEIMS coding related to special programs. However, during our interviews, several campus principals and PEIMS clerks expressed that the PEIMS Conference, although good, covers many areas in just one day and that additional training to check data validity and clear fatal errors would be beneficial to them.

The draft report has been distributed. The report will be finalized once a CAP to address the findings, observations, and recommendations is provided by District management and leadership.

6. ESSER Audit (24.02.A)

The objectives of the audit were to determine if the District is:

- a. Monitoring the ESSER III project funds so they are spent timely and in their entirety.
- b. Spending a minimum of 20% on learning loss projects as required by the United States Department of Education.
- c. Implementing the ESSER III "Use of Funds Plan" as submitted to the Texas Education Agency.

The scope focused on the ESSER III grant, which has a period of availability from March 13, 2020, to September 30, 2024.

In summary,

1. The Fund Development Department is monitoring spending of the funds as follows:
 - a. Uses spreadsheets to identify project funds using the specific fund, object, and sub-object combinations to monitor the funds spent by project because unique accounts were not set up for each project.
 - b. Updates the ESSER III Dashboard to show the status of the projects, budget, expenses, and balances.

- c. Communicates with project leads, cabinet members, Superintendent, and Board of Trustees on the progress of projects or funds spent.

As it relates to spending funds in their entirety, Fund Development staff are working on a plan to spend any remaining funds by September 30, 2024.

2. The District had spent 22% of the allotted ESSER III grant in 18 learning loss projects as of October 17, 2023, exceeding the minimum of 20% required by the United States Department of Education.
3. The Student Attendance Tracking Project's focus and expected outcomes were changed. However, the ESSER III Dashboard was not updated to reflect the changes. The expected outcome of improved safety and security remains. However, the project will not address the outcomes related to attendance and increased instructional time.
4. The Mental Health Support and College Access Project was not implemented as stated in the "Use of Funds Plan." The Project Lead mentioned that the project was partially implemented. However, the project shows as "Complete" on the ESSER III Dashboard on the District's website with the description summary: "College students with less than 60 hours will support EPISD students with planning college applications, writing college essays, and applying for financial aid." The "Use of Funds Plan" shows that the project had an initial budget of \$2,429,340. The amended budget in Frontline and the total amount spent on this project was reduced to \$46,775 (2% of the original planned amount).
5. The Special Education Learning Loss Project has not been evaluated to measure against the expected outcomes outlined in the "Use of Funds Plan." The project is classified as "Complete" on the ESSER III Dashboard. The "Use of Funds Plan" shows the project had an original budget of \$6,255,287. The amount spent is \$2,236,577 (approximately 36% of the original budget).
6. There is a lag in the implementation of the Planetarium project. The project is classified as "Active" (in progress) on the ESSER III Dashboard. The amount spent for the project is \$70,000 (12.5% of the project budget of \$560,000). Some of the causes of the lag are due to miscommunication and misunderstanding related to the procurement process.
7. There is no formal process in place for documenting the justification for not implementing projects. For example, projects #72 EL Tutor Elementary (allocated \$6.2M) and Project #86 Content Learning Centers for Secondary (allocated \$15.9M) were not implemented. Documentation for the justifications for not implementing the projects and the dates when it was decided not to implement were not located. During our meetings with project leads they explained that the projects were not implemented because of the challenges encountered at the time due to the pandemic with hiring qualified teachers and tutors.

The draft report has been distributed. The report will be finalized once a CAP to address the findings and recommendations is provided by District management and leadership.

7. CAP Follow-Up Review: Interlocal Cooperative Contract Purchases Audit (22.13.F)

Internal Audit issued the Interlocal Cooperative Contract Purchases (Buckets) Audit Report on June 2, 2022. The original audit report included three findings and six recommendations. Findings reported included, (i) instances of inaccurate tracking of bucket purchases, (ii) discounts offered through the contracts were not verified, and (iii) inconsistent supporting documentation maintained to justify buckets, which lessens accountability.

The objective and scope of this follow-up review were to determine whether management and leadership took corrective action to address the findings and recommendations outlined in the original audit report.

In summary, management implemented seven (7) of the eight (8) activities in their CAP to address the findings and recommendations in the original audit report. One activity was not implemented as management considered it was being addressed through another activity. The CAP has been closed.

8. CAP Follow-Up Review: Prekindergarten Class Size Concerns at Elementary School Investigation (23.00-01.F)

Internal Audit issued the final Prekindergarten Class Size Concerns at Elementary School Investigation Report on August 16, 2023. The original investigation report included two (2) findings and four (4) recommendations. In summary, the school principal did not follow management's directive to divide prekindergarten students into two classes, consequently misrepresenting the PK class size in Frontline. Furthermore, the principal did not comply with the class size limit of 22 students set forth in Texas Education Code §25.112 Class Size or the recommended ratio (for a high-quality PK program) of one teacher or aid for every 11 students outlined in Board Policy EEB (Legal) Instructional Arrangements. Because a permanent teacher/substitute was not assigned to PK-B, attendance documentation for this section was missing or inadequate for 95% of the instructional days tested. Management and leadership developed a Corrective Action Plan to address the findings/recommendations.

The objective and scope of this follow-up review were to determine whether management and leadership took corrective action to address the findings and recommendations outlined in the original investigation report.

In summary, management implemented the five activities in their CAP to address the findings and recommendations in the original investigation report. The CAP has been closed.

9. CAP Follow-Up Review: Payroll Audit (23.05.F)

Internal Audit issued the Payroll Audit Report to District management and administration on August 8, 2023. The original audit report included three (3) findings and seven (7) recommendations. In summary,

- There were no employees that had inappropriate access to add or delete employees in Frontline. However, it was noted two (2) employees had improper access to the Frontline Payroll Module.
- Twenty-five percent (25%) of direct deposit authorization forms tested were not found. The Payroll Manager explained that during the move to EPISD's new central office location, the Payroll Department, in a joint effort with the Executive Director of Financial Services, agreed to get rid

of excess documents due to lack of storage space. The Payroll Department did not reference Local Schedule GR Retention Schedule for direct deposit authorization forms before their destruction.

- Fifteen percent (15%) of manual time clock entries tested had incomplete or missing supporting documentation.

A risk acceptance form was completed and signed by the Payroll Manager, Executive Director, Financial Services, and Chief Financial Officer in lieu of implementing one recommendation in the audit report for the Payroll Department to “verify that all active employees have a direct deposit authorization form uploaded to their payroll file.” The risk acceptance form was approved by the Superintendent on July 31, 2023. Management and leadership developed a Corrective Action Plan to address the findings and six (6) recommendations.

The objective and scope of this follow-up review were to determine whether management and leadership took corrective action to address the findings and recommendations outlined in the original audit report.

In summary, management implemented the six (6) activities in their CAP to address the findings and recommendations in the original audit report. The CAP has been closed.



Corrective Action Plans

ASSURANCE • INSIGHT • OBJECTIVITY

According to the Institute of Internal Auditors' *Standard* 2500, the Chief Internal Auditor "must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action." The Internal Audit Department has established the Corrective Action Plan (CAP) process to meet the requirement in the *Standard*.

District management and leadership are responsible for developing CAPs to address Internal Audit findings, observations, and recommendations. Internal Audit conducts follow-up reviews to monitor the implementation of CAPs. The Chief Internal Auditor provides the Board with quarterly reports on the status of CAPs. In addition, we issue periodic CAP Follow-up reports to document and report the results of our reviews. A summary of the results of completed CAP follow-up reports is provided in the [Summaries of Audit Plan Engagements](#) section of this activity report.

Status of Corrective Action Plans and Activities

Four CAPs are open and in the implementation phase. The CAPs will remain open until all activities outlined in the plans have been implemented or deemed no longer applicable/necessary. The names of the CAPs with their start/end dates are listed in **Exhibit 6**. **Exhibits 7 through 9** provide, by CAP, the completion percentage, the status of activities, and a summary of upcoming due dates for open CAP activities.

Exhibit 6: Status of CAPs with Start and Due Dates

Engagement Code	Engagement Name	Start Date	Due Date
22.09.F	Dual-Language Audit CAP	09/19/23	06/30/24
23.06.F	Power Up Audit CAP	09/12/23	06/27/24
24.01-02.F	Campus Systems Audit: Tinajero CAP	01/29/24	04/01/24
23.08.F	Transcripts Audit CAP	11/01/23	05/31/24

Exhibit 7: Completion Percentage by CAP

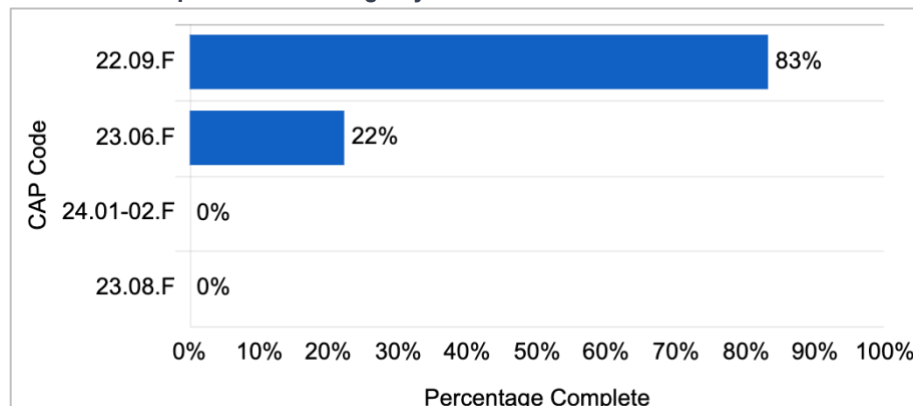


Exhibit 8: Status of Activities by CAP

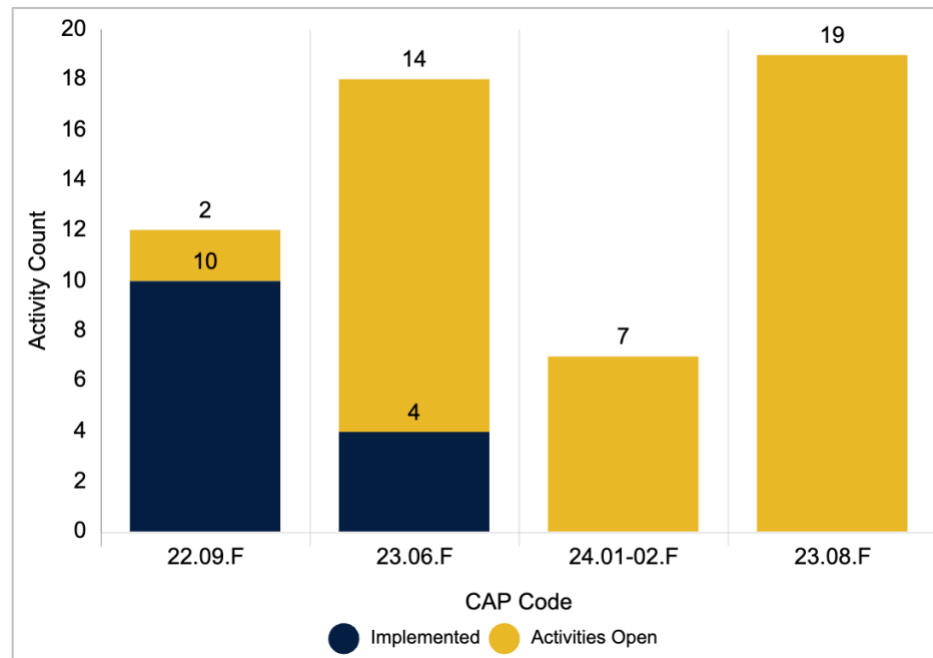
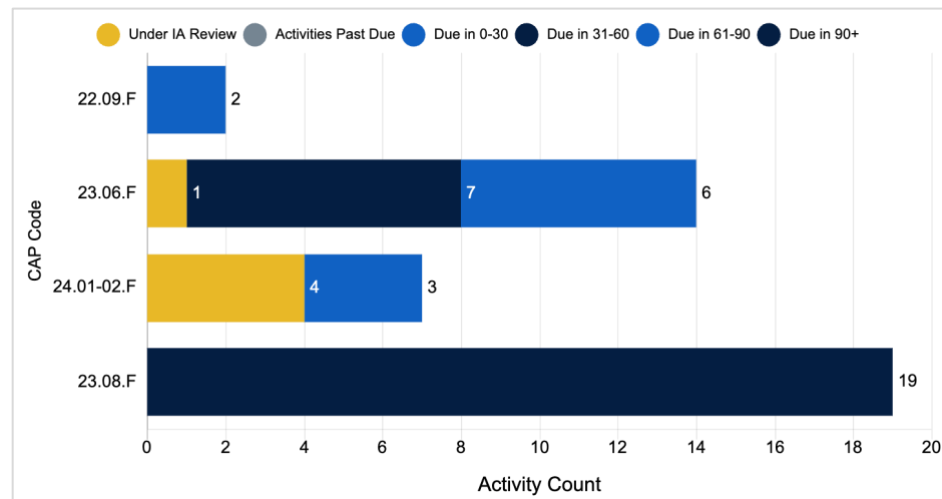


Exhibit 9: Due Date Ranges for CAP Activities



Corrective Action Plan Delays

According to the Internal Audit Charter (Board Policy CFC Exhibit), “The chief internal auditor will notify the Board of delayed or past due corrective action plan activities....” Information on the one delayed CAP for this quarter and new due date is provided below.

23.06.F PowerUp Audit CAP: This CAP contains 18 activities and has been open for six (6) months. Four (4) activities have been implemented, and 14 are in progress.

1. The first CAP extension was requested on December 12, 2023, for 12 activities. New due dates ranged from December 8, 2023, to March 28, 2024.

2. The second CAP extension was requested on February 29, 2024, for 13 activities. The new due dates are May 31, 2024, and June 27, 2024. Justifications provided by management/leadership are:
 - Activities 1, 2, 5, 7, 9, 11, 12,14, 15,17,18: “Administrative Reference (ARG) and internal manual procedures are currently being updated to reflect the Power Up activity to encompass the changes brought forward by Internal Audit. As the processes have been updated the need for additional work needs to be put into place to ensure consistency and transparency.”
 - Activity 10: “We request an extension to provide adequate training for all parties to correctly understand the process and provide accurate details for all student devices.”
 - Activity 16: “Once policies and procedures are updated, district positions can be identified. Identified job descriptions will be updated with new responsibilities and training will be provided to those affected employees.”



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Internal Audit

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***BOARD OF TRUSTEES AUDIT COMMITTEE MEETING
EXECUTIVE SUMMARY OF COMMITTEE AGENDA ITEM***

TITLE:

Discussion of Audit Committee Meetings and Internal Audit Reports to the Board of Trustees

STAFF RESPONSIBLE:

Mayra G. Martinez, Chief Internal Auditor

SUMMARY:

The purpose of the discussion will be to determine if the frequency of meetings and information reported are at the proper levels to demonstrate our accountability to the Board and performance expectations.

According to the Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing (Standards), the Chief Internal Auditor must report periodically to the Board on the Internal Audit performance relative to its plan. Specifically, the Internal Audit Charter (Board Policy CFC Exhibit), requires the Chief Internal Auditor, "Provide quarterly reports to the Board on the internal audit department's plan and performance relative to its plan."

In addition to the status of the Audit Plan, our quarterly reports to the Board also include confirmations and disclosures required or recommended by said Standards and our Internal Audit Manual of Auditing Professional Practices (MAPP).

ATTACHMENTS:

Description

- ▣ Internal Audit Reporting to the BOT



Internal Audit Reporting to the Board

Discuss Audit Committee Dates and Content of Reporting

MAYRA G. MARTINEZ, CIA, CFE, CGAP, RTSBA

Chief Internal Auditor, El Paso Independent School District



Photos by the EPISD Communications Department



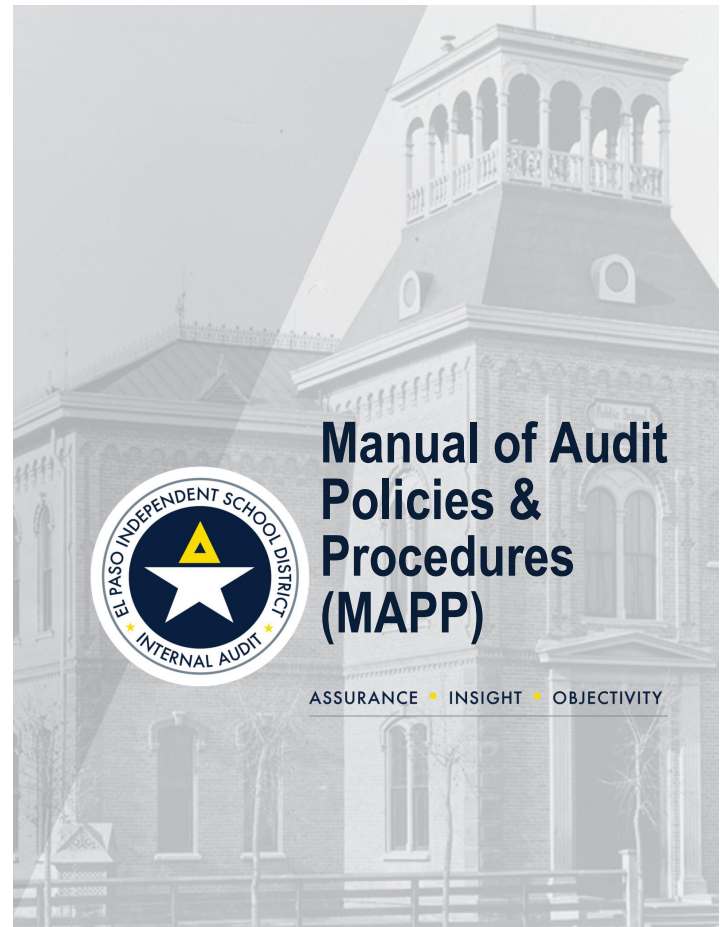
Current Requirements

1. Board Policy BDB (Local) reads, “The audit committee shall meet at least four times during a fiscal year and shall convene additional meetings as necessary.”
2. Board Policy CFC (Exhibit) requires the Chief Internal Auditor to:
 - a. “Provide quarterly reports to the Board on the internal audit department's plan and performance relative to its plan.”
 - b. “Meet with the Board audit committee on a quarterly basis to discuss the status of the audit plan, results of audit engagements or other activities, and other matters requested by the Board.”



Current Requirements

Internal Audit developed department procedures which are outlined in our Manual of Audit Policies and Procedures (MAPP) to ensure we comply with communication and reporting requirements (to include the content of reports).



Internal Audit Required Communication	Quarter 1 Report	Quarter 2 Report	Quarter 3 Report	Quarter 4 Report	Other Frequency
Review of Internal Audit Charter to include purpose, authority, and responsibilities of Internal Audit (Standard 1000)			X		
Discussion of the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (Standard 1010)	X				
Confirmation of Organizational Independence (Standard 1110)				X	
Notification of Impairments to Independence or Objectivity (Standard 1120)				X	And as needed
Resolution of Management's Acceptance of Risks (Standard 2060)					As needed

Internal Audit Required Communication	Quarter 1 Report	Quarter 2 Report	Quarter 3 Report	Quarter 4 Report	Other Frequency
Need for and frequency of external assessments, the form of the external assessment, qualifications and independence of external assessor (Standards 1312)					Every 5 years (Beginning in FY 2024)
Results of quality assurance and improvement program ongoing monitoring and external/periodic internal assessment. This includes include notice of conclusions and corrective action plans (when applicable) (Standards 1320 and 2060)	X				For external: every 5 years (Beginning in FY 2024)

Planning and Performance	Quarter 1 Report	Quarter 2 Report	Quarter 3 Report	Quarter 4 Report	Other Frequency
Risk Assessment and Annual Audit Plan Proposal/Approval (Standards 2020 and 2060)			X		
Updates/Changes to the Audit Plan and notice of significant delays in completing Audit Plan projects (Standards 2020 and 2060)					As needed
Audit Plan Status/Completion Summary and Project results summaries for audits engagements, follow-up (CAP) reviews, consulting engagements, and other contingency engagements (Standard 2060)	X	X	X	X	
Status of Corrective Action Plans to include notice of unduly delayed CAPs and past due CAP activities (Standard 2500)	X	X	X	X	
Fraud, Waste, and Abuse Hotline Reports (includes comparison to prior years and % of incident reports substantiated) (Standard 2060)				X	



Reports on Staffing and Resources	Quarter 1 Report	Quarter 2 Report	Quarter 3 Report	Quarter 4 Report	Other Frequency
Annual Review of Department Budget, Staffing, and Resource requirements including the impact of resource limitations. Standards 2020 and 2060			X		As needed
Internal Audit Staff Staffing, Qualifications, and Proficiency (including resource constraints if any)				X	
Notice of Internal Audit Staff Evaluations Performed				X	

Meetings and Reporting Schedule

Quarterly Report	Activity Covered	Report to Audit Committee	Report to Board of Trustees
Quarter 1	July 1 through September 30	October	No later than November
Quarter 2	October 1 through December 31	January	No later than February
Quarter 3	January 1 through March 30	April	No later than May
Quarter 4 (Annual Report)	July 1 through June 30	August	No later than September

Consider scheduling quarterly Audit Committee at the beginning of each fiscal year.





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