



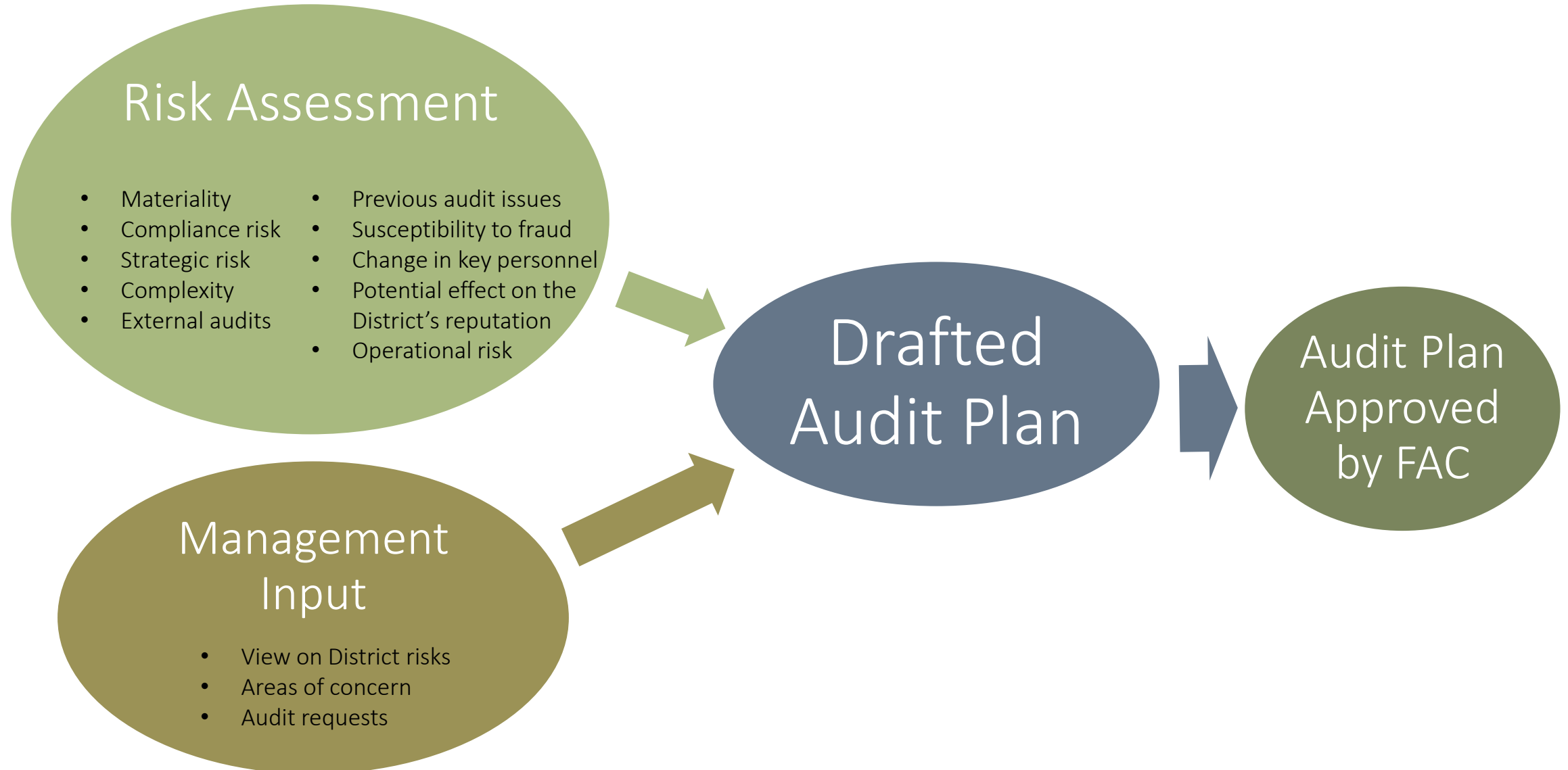
Internal Audit Plan Fiscal Years 2018 - 2020

Presented by Internal Audit
August 14, 2017

What is the Audit Plan?

- ❖ The audit plan is a **list of audit engagements** expected to be completed over the next three years.
- ❖ The audit plan was developed using a **risk based methodology**, including **input from management**.
- ❖ The audit plan will be **reviewed periodically** and adjusted, as necessary, in response to changes in the District's risks, operations, programs, systems and controls.

Planning Process



Audits Completed in the Past Three Years

- ❖ Accounts Payable
- ❖ Payroll
- ❖ Grants
- ❖ Construction Services
- ❖ Contract Management
- ❖ Purchasing Card Program
- ❖ District-Wide School Activity Fund Audit
- ❖ Transportation Audit
- ❖ Enterprise Management (In Progress)
- ❖ Various Special Investigations and Management requests

Audits Planned for FY18

Employee Reimbursements

- Expenses paid for by District employees and subsequently reimbursed by the District will be included in this audit.
- The objective of our audit is to ensure that the appropriate internal controls are in place and operating effectively to ensure that reimbursement expenses are adequately documented and comply with District policies and procedures and IRS guidelines.

Audits Planned for FY18

Safety and Security

- The Department of Safety has over 140 team members including investigators, armed patrol officers, dispatchers, emergency preparedness professionals and campus security officers. DPS Safety is responsible for creating a safe and secure environment for over 90,000 students, 15,000 staff members, and 210 schools 24 hours a day, 7 days a week, 365 days a year.
- The Chief has requested that Internal Audit review the adequacy of their policies and procedures specifically related to case management and compliance with training requirements.

Audits Planned for FY18

Vending Machines Cash Collection Process

- The school vending program manages vending for most DPS schools as well as for DPS departments/buildings. The Enterprise Management Executive Director has requested an audit.
- The objective of our audit will be to determine if the appropriate internal controls are in place and operating effectively to ensure the cash collections and deposits are complete, accurate and timely.

Audits Planned for FY19

Student Data Privacy

- Colorado's new data privacy law was signed into law in June, 2016. This law adds to existing laws pertaining to the collection, management, storage and sharing of Student Personally Identifiable Information. New provisions require all education providers to implement new privacy and security policies, enhance their agreements covering 3rd party data sharing, and provide additional training to staff about data management and handling.
- The objective of our audit is to ensure that the appropriate internal controls are in place and operating effectively to ensure compliance with the law and guidance set forth by the Colorado Department of Education.

Audits Planned for FY19

IT Security Controls

- The district relies on information technology (IT) systems and electronic data to support its operations. The security of major IT systems and data are essential to avoiding disruptions of critical operations, data tampering, and inappropriate disclosure of sensitive information.
- Our objective will be to evaluate and report on the general IT controls for selected major IT systems, including security management, access controls and separation of duties.

Audits Planned for FY19

Independent Contractors

- Independent contractors are used when special skill sets are needed to perform services that otherwise not available to the District. They may also be used to accommodate spikes in workload and other situations. The IRS provides guidance in deciding whether a worker is an independent contractor or an employee. The District could face significant financial penalties if IRS guidelines are not followed.
- Our audit will focus on determining if the District has the appropriate internal controls in place to ensure that workers are properly classified as independent contractors or an employees in accordance with guidelines established by the IRS.

Audits Planned for FY20

Capital Projects (Construction Services, Facilities, and DoTS)

- In November 2016, Denver voters approved bond and mill funding measures for students in Denver Public Schools, agreeing to invest \$572 million in bond funding to build and improve schools and \$56.6 million in operating dollars to support proven initiatives, such as early literacy.
- The objective of our audit is to review significant elements of the award, design, and construction process for selected projects to determine that adequate internal and management controls were implemented.

Audits Planned for FY20

UGG/ District Purchasing Policy

- Effective July 1, 2017, the Denver Public Schools Board of Education approved a new District wide purchasing policy designed to provide compliance with the Uniform Grant Guidance for Federal programs and allow increased flexibility in purchases between \$25,000 and 150,000.
- The objective of our audit is to ensure the new purchasing process is working as intended and the appropriate internal controls are in place and operating effectively.

Audits Planned for FY20

Tuition Billing/Collection Rate

- In addition to parent tuition, DPS uses several funding sources - local, state and federal – to provide free or significantly reduced price preschool to children in Denver.
- The objective of our audit will be to ensure that the appropriate internal controls are in place and operating effectively to ensure funds collected are complete, accurate, and recorded timely. We will determine that the collection rate is reasonable and meeting management's expectations.

Consulting Services

Internal audit Staff will provide advice and assist management to develop and implement internal controls for the following projects:

- ❖ On-line Billing
- ❖ Time and Attendance
- ❖ Accounts Payable
- ❖ Investigation Protocols

Other Recurring Audit Work

- ❖ School Activity Fund Cash Counts (10-20 per year)
- ❖ Special Investigations and Management Requests
- ❖ Follow-up Audits
- ❖ Fraud Hotline