

# Audit Committee Meeting

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JANUARY 11, 2023

# Internal Audit at CISD

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- Brian Hayden - Manager
  - 3.5 years at CISD
  - Performs Operational/Financial Audits
  - Manages Weaver co-source relationship
  - Administrative
  - Reports to Audit Committee with dotted line to CFO
- Linda Doran – Staff Auditor
  - Activity Fund Audits/PTO
- Co-source with Weaver LLP
  - Provide IT expertise/resources
  - Addition audit resources as needed.

# Internal Audit at CISD

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- Internal Audit reports have two levels of findings
  - **Opportunities for Improvement** are material/higher risk findings which require management responses
  - **Observations** are considered lower risk and management response is optional.
- Audits are conducted in accordance with International Professional Practices Framework issued by the Institute of Internal Auditors.
- Audit Plan is determined using Risk Assessment

# 2022-2023 Internal Audit Plan

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# 2022-2023 Internal Audit Plan – Activity Funds

Campus	
Conroe High School	Bozman Intermediate - Complete
Caney Creek High School	Grangerland Intermediate
The Woodlands High School - Complete	Moorhead Junior High
The Woodlands College Park High School	Suchma Elementary
Grand Oaks High School	
Oak Ridge High School	

# 2022 - 2023 Audit Plan - Operational Audits

## **Custodial & Maintenance– Complete**

**Final Report Issued November 2022**

### **Areas for Improvement:**

- 1. An initial inventory count in the C&M main warehouse found a 5% error rate. An expanded count resulted in an overall error rate of 12.5%.**
  - C&M cycles through a large number of inventory items each month (approximately 13,000 items as of October 12 in the calendar year 2022).
  - While C&M does perform a semi-annual count of all item in the main warehouse, Internal Audit recommends a monthly count of a random sample of inventory items.
- 2. In reviewing all C&M vehicle accident reports from January 2021 – August 2022, Internal Audit noted a 37% error rate for 19 reports reviewed:**
  - C&M should to train supervisors on:
    - Insuring vehicle accident reports are properly and completely filled out.
    - “At fault” drivers take the required drug test.
    - Proper paperwork is included with the report.

# 2022 - 2023 Audit Plan - Operational Audits

## **Custodial & Maintenance– Complete**

**Final Report Issued November 2022**

### **Observations**

- 1. “Attic stock” is a term used to describe items leftover from CISD construction projects such as ceiling tiles, doors, and paint. These items are turned over to C&M by Planning & Construction (at zero cost) and used when needed. Currently, there is no procedure in place to track when these items are taken out of stock.**
  - In order to adequately safeguard CISD assets, Internal Audit recommends C&M track when and where attic stock items are used.
- 2. C&M is using both paper and electronic accident reports.**
  - In order to avoid duplication of effort, Internal Audit recommends that C&M use electronic files only.

# 2022-2023 Audit Plan

## Band/Orchestra Instruments

- **Counts from Intermediate/JH/K-6 only**
  - **High Schools were audited in May, 2022**

### **Final Results**

**Missing – 7/\$35,000\***

**Added – 63/\$156,500\***

**Updates - 126**

**\*Estimated value**



# Remaining 2022-2023 Internal Audit Plan

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## **Child Nutrition – IA/Weaver Q1 2023**

- **Cash Controls**
- **Inventory Control**
- **Compliance with CISD/State/Federal policies and procedures**

## **IT Audit – CISD Cyber Security Plan – IA/Weaver Q1 2023**

- **Plan developed in 11.2019 & Updated 2.2020**
- **Will focus on plan maturity, identifying gaps**

# Remaining 2022-2023 Internal Audit Plan

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## **IT General Controls Follow-Up - IA/Weaver Q1/2 2023**

- Follow-up for the audit conducted last year

## **Caney Creek HS Remodel – IA Q2/3 2023**

- Review final cost calculations and backup documentation

## **Follow-Up Audits – Summer 2023**

- Police – Audit from 2021
- Annual PEIMS