

Internal Audit Annual Plan 2023-24 FY

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September 21, 2023



Arlington Public Schools



Proposed Audit Plans for Fiscal Year 2023-24

- School Activity Funds (SAF)
- APS Purchasing Cards
- Information Systems Equipment
- Gas Cards and Fleet Management



School Activity Funds

Background

- Each school within APS maintains a School Activities Fund for various sources of revenue and expenses.
- School Treasurers are tasked with the management and administration of these funds.
- In addition to serving as custodians of these funds, Treasurers are commonly responsible for multiple academic and administrative tasks.
- Treasurers have various backgrounds and may not have finance related competencies.



School Activity Funds

Audit Steps

- Select a sample of schools and interview Treasurers to create a needs assessment (professional skills).
- Develop a training curriculum for the School Treasurers
- Select a sample of transactions from the School Cash Funds System from each school. Review controls over the supporting documentation and appropriateness of the purchase.
- Review and evaluate controls for the financial and administrative processes performed by the Treasurers.
- Evaluate controls for business practices for compliance with APS policies and procedures.
- Review industry best practices for the management and administration of SAF.
- Evaluate controls and applications relating to the chart of accounts and the source of funds.



APS Purchasing Cards

Background

APS Provides employees with purchasing cards for use in making business related purchases.

Audit Steps

- Obtain statements for the selected sample (quarterly) and identify the transactions for detailed testing.
- Review related supporting documentation. Evaluate the adequacy of this documentation and make inquiries as appropriate.
- Determine if purchases comply with APS policies and procedures.
- Analyze adequacy of p-card reconciliation processes



Information Systems-Equipment and Licensing

Background

- APS employees and students rely heavily on IS equipment in the performance of their jobs and during their studies.
- A significant portion of APS financial resources are dedicated to the procurement of this equipment and associated software licenses.

Audit Steps

- Obtain and review financial reports to confirm the financial amounts dedicated to IS purchases and software.
- Review current inventory reports and evaluate controls over recording and updating inventory levels; this should include reviewing tagging protocols.



Information Systems Equipment and Licensing

- Review business protocols for assigning new equipment and the return of APS assets upon separation for employees.
- Evaluate business protocols over warranties and repairs.
- Review and evaluate controls for repairing, replacing, or purchasing equipment and disposal practices.
- Evaluate APS protocols for software licensing compliance.



Gas Cards and Fleet Management

Background

- APS maintains a fleet of various vehicles as a part of running its businesses including student transportation services.
- Gas cards are provided to designated employees as part of operations.

Audit Steps

- Obtain and review APS standards for the management and administration of gas cards.
- Select a sample of transactions for gas cards to determine if controls are adequate and business practices comply to APS policies and procedures.
- Evaluate controls for the card reconciliation process.
- Review business protocols for driver background checks and licensing requirements.
- Review and assess controls for work orders and related repairs and maintenance, including preventive maintenance protocols.



Gas Cards and Fleet Management

- Review insurance business protocols including reporting losses and claims.
- Review and assess internal controls for vehicle replacement protocols.
- Examine vehicle usage logs, who manages vehicle assignments.
- Obtain and review safety policies and procedures, compare with existing business protocols.
- Review and evaluate controls covering school bus inquiries.



Annual Audit Plan

Questions and Answers