

# AUDIT INSIGHTS

Volume 2, Issue 1

## THERE'S A POLICY FOR THAT!

Many of your departments get audited / reviewed from time to time by grantors, the Florida DOE, or others. These may be referred to as program reviews, monitoring, or by other terms. They come and they go and are usually not a big deal. And of course, you notify our department when these occur, right?

[School Board Policy DIE](#) (it's the policy everyone is dying to meet!) requires departments to notify us of all audits. In this policy, audit includes those initiated by your department (where you ask someone to come check things out) and those initiated by external auditors or agencies.

This policy is easy to meet. Simply:

- Inform us of the audit (email to [internalaudit@ocps.net](mailto:internalaudit@ocps.net))
- Include us in the entrance and exit meetings
- Provide a copy of the final report and management response to us

We do not need to be involved in the actual review or audit, although we are happy to assist when asked. Sometimes we can help by speaking "audit" with the auditing entity to move things along or clarify matters. Now you know!



## SCHOOL INTERNAL ACCOUNTS

TOP 10

TIPS

Here are some helpful tips to reduce audit findings and fraud risk:

- 1. SchoolPay** - encourage using SchoolPay credit card option for receipt of funds instead of cash/checks.
- 2. SFO sponsor access to activity account** – encourage sponsors to have view only access to their club/team/class account history report.
- 3. Altered Documents** - beware of source document alterations such as changed dates, amounts, etc.
- 4. Checks should not be payable to the Bookkeeper.**
- 5. Club Memberships (SAM's, Costco, BJ's)** - should be in the name of the school, not an individual employee.
- 6. Deposits in Transit** – when reviewing/signing monthly reports, pay attention to the dates of any deposits in transit. Dates should only be towards the end of the month.
- 7. Principal's Discretionary Account** – receipts posted to this account must be supported with documentation specifically designating the funds may be used at the principal's discretion.
- 8. Fundraisers & Admission Events** – encourage daily deposits of monies collected and have sales reports completed in a timely manner at the end of the event.
- 9. Gift card purchases** - not permitted unless a letter accompanies the donation specifically directing gift cards to be purchased.
- 10. Change funds** – employee(s) should sign for change funds and should return them to the Bookkeeper in a reasonable time period but before the end of the school year.

### Internal Audit Mission

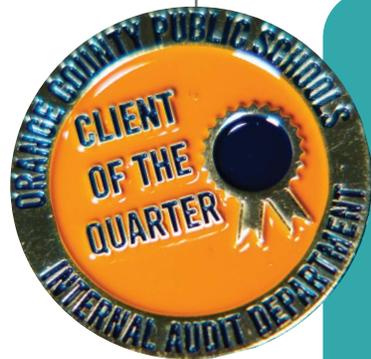
We provide independent, objective assurance that adds value and enhances the district's performance, accountability, and transparency.

## Did you Know...

Nearly half of fraud cases occurred due to lack of internal controls or override of existing controls.

## Internal Control Tip

Never let someone else sign in your name



## CLIENT OF THE QUARTER

Internal Audit would like to recognize **Christopher Solomon, Maintenance Director**, as recipient of this quarter's Client of the Quarter Award. During the Preventative Maintenance (PM) audit, Chris and his team worked collaboratively with Internal Audit, despite a heavy workload and resource constraints. This partnership led to new, and improved, procedures for school PM sweep teams! His work ethic helped the audit run smoothly, and ensured that recommendations were implemented in a timely manner. Thank you, Chris!



## REPORTS ISSUED SINCE OUR LAST NEWSLETTER

- School Communication Application (TalkingPoints)
- State Reporting

All our reports are available for your reading enjoyment on our website at [https://www.ocps.net/departments/internal\\_audit/reports](https://www.ocps.net/departments/internal_audit/reports)

## AUDIT FOLLOW-UP

Congrats! You survived the internal audit and received a draft report at the exit meeting. Is it over now? Not yet! We then email you an Audit Response Matrix (ARM). The ARM lists our results and recommendations. In the ARM, you can: 1. acknowledge the result, 2. describe your action plan, and 3. identify an owner/completion date. Please complete the ARM within 10 business days. We include the ARM in our final report, which we send to the School Board.

Let's say your Target Completion Date is June 2024. About a month before your Target Completion Date (i.e. May 2024), it's time for audit follow-up. If your Action Plan is in effect, then we set a scope for our testing based on the frequency of your internal controls. Let's say the scope is July to September 2024. In October 2024, we test whether the control indicated in the Action Plan was effective during our 3-month scope. If we don't encounter exceptions in our sample, then we close the recommendation. If there is an exception, then the recommendation remains "In Progress," and a new Target Completion Date is needed - maybe even a new Action Plan!

Be prepared for audit follow-up. Don't wait until the Target Completion Date to implement your Action Plan. Take steps before then. Monitor your controls, so you have an idea of whether they are effective by the Target Completion Date. After a successful follow-up, the audit can be over!



## Meet the Auditor *Alpa H. Vyas*

Ms. Vyas is a Certified Internal Auditor and is Certified in Risk Management Assurance. She has an MBA from Sullivan University and a bachelor's degree in financial accounting and auditing from the University of Bombay, India. She has more than 15 years of internal audit experience and is a member of the IIA and ALGA.

## Meet our Intern *Andy Chen*

Internal Audit recently welcomed its first intern! Andy Chen is a junior at the University of Central Florida currently pursuing a Bachelor's degree in Accounting with a minor in Information Technology. Andy is interested in a variety of topics including taxation and auditing. He also participates in several volunteering and internship opportunities. We are pleased to have Andy be part of our team and hope to inspire him to achieve his professional goals.  
Welcome Andy!



## WHAT IS A RISK?



Potential of an event to not allow full realization of opportunities

Probability that outcomes will differ from expectations

Potential of an event that would adversely affect achievement of objectives

# RISK



Risks come in many types:

- Financial
- Compliance
- Disaster or contingency
- Operational
- Strategic
- Data integrity & reliability
- Diversity, equity and inclusion
- Performance
- Image and reputation
- Fraud

### *Next Issue*

In our next issue, we will provide examples of risk types and the impacts they can have on the district. We will also begin to discuss how to assess risk and reduce it to a tolerable level.