**TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED**

Austin, Texas

INTERNAL AUDIT PLAN

For Fiscal Year 2022

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Internal Audit Plan

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Board of Trustees and Audit Committee Members

Texas School for the Blind and Visually Impaired

Austin, Texas

Enclosed is the Texas School for the Blind and Visually Impaired’s (TSBVI) proposed Internal Audit Plan (Plan) that was prepared for audits and other functions to be performed in fiscal year 2022. This Plan determines the scope of internal audit activities and is the source for assignment and prioritization of internal audit responsibilities for fiscal year 2022. Specific planning for audit procedures is a naturally ongoing process; thus, the Plan is reviewed annually and may be revised as necessary by the Board or Audit Committee, as necessary.

This Plan has been prepared by Garza/Gonzalez & Associates, an independent Certified Public Accounting firm, following Generally Accepted Auditing Standards, International Standards for the Professional Practice of Internal Auditing, and the Institute of Internal Auditors’ Code of Ethics contained in the Professional Practices Framework.



January 4, 2022

# **Methodology**

TSBVI’s Internal Audit Plan (Plan) for fiscal year 2022 was prepared using a risk assessment process, where we reviewed various documents and questionnaires, as documented below.

The following documents were reviewed and/or considered in our risk assessment process:

1. Organizational Charts
2. Operating Budgets
3. Financial and Non-Financial Reports
4. Policies and Procedures
5. Applicable Laws and Regulations
6. Audits and/or Monitoring Reports from Third-Party Agencies
7. Prior Internal Audit Reports

Questionnaires were developed for completion by TSBVI’s Board President; Audit Committee Chair; Superintendent; Division Directors; and, other staff, to update our understanding of each department, and its role within the overall scheme of TSBVI. The questionnaires included topics; such as, issues and/or concerns expressed by Board members and management, recent changes in key personnel, time elapsed since last audit, status of past audit findings, and regulatory compliance requirements (i.e. TAC 202, *Information Security Standards*; contract management; and, benefits proportionality). Utilizing the information obtained through the completed questionnaires and background information reviewed, 16 audit areas[[1]](#footnote-1) were identified as the potential audit topics. A risk analysis was completed for each of the 16 potential audit topics and then compiled to develop TSBVI’s overall risk assessment.

The following 8 risk factors were considered for each potential audit topic:

| **Risk Factor** | **Description** |
| --- | --- |
| 1. Materiality | Measure of the auditable unit’s *financial* materiality based on the dollar amount per year of assets, receipts, or disbursements for which the auditable unit is responsible; or, *non-financial* materiality based on the degree of its responsibility related to the agency’s primary mission. |
| 2. Time since Last Audit or Review | Measure of the number of years between the date of the previous audit or review and the date of the risk assessment. |
| 3. Results of Prior Audit or Review | Measure of the results of the prior audit or review. |
| 4. Adequacy of Staffing Levels | Measure of the adequacy of the auditable unit’s staffing level as it relates to the achievement of its objectives. |
| 5. Policies and Procedures | Measure of the existence of policies and procedures documenting the auditable unit's activities. |
| 6. Compliance with Contracts, Laws, and Regulations | Measure of the complexity of contracts, laws, and/or regulations for which the auditable unit is responsible for ensuring compliance. |
| 7. Susceptibility of Theft, Waste, Abuse, or Fraud | Measure of the auditable unit’s risk and controls in place as it relates to theft, waste, abuse, or fraud. |
| 8. Issues or Concerns | Measure of issues or concerns expressed in completed questionnaires. |

Risk Assessment

Following are the results of the risk assessment performed for the 16 potential audit topics identified:

|  |  |  |
| --- | --- | --- |
| **HIGH RISK** | **MODERATE RISK** | **LOW RISK** |
| Information Resources (to include Disaster Recovery Plan)  Safety & Security | Accounting & Financial Reporting\*  Health Center  Purchasing/ P-Card/ Contract Management/ HUB  Outreach\*  Residential Services  Human Resources & Payroll | Grants Administration\*  Admission & Student Records\*  Student Trust & Activity Funds  Assets & Facilities Management  Transportation/ Weekends Home  Records Management  Food Services  Supplies Warehouse |

\* Includes applicable Performance Measures.

This report includes the “Risk Assessment Summary” as Attachment A; and, the “History of Areas Audited” as Attachment B, which lists audits and/or reviews performed from fiscal year 2012 through 2022 for the above 16 potential audit topics.

In the prior 3 years, the following internal audits and other functions were performed by former internal auditors:

Fiscal Year 2021:

* Risk Assessment & Preparation of the Internal Audit Plan
* Human Resources & Payroll Audit
* Follow-Up of the Prior Year Internal Audits
* Preparation of the Internal Audit Annual Report

Fiscal Year 2020[[2]](#footnote-2):

* Public Funds Investment Act Compliance
* Policy and Procedure for Reporting and Investigating Allegations of Student Abuse, Neglect, Exploitation, or Improper Care

Fiscal Year 2019:

None.

# **Audit Scope**

In accordance with the **International** **Standards for the Professional Practice of Internal Auditing**, the audit scope will encompass the examination and evaluation of the adequacy and effectiveness of TSBVI’s system of internal control and the quality of performance in carrying out assigned responsibilities. The audit scope includes:

* **Reliability and Integrity of Financial and Operational Information** – Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
* **Compliance with Policies, Procedures, Laws, Regulations and Contracts** – Review the systems established to ensure compliance with those policies, procedures, laws, and regulations and contracts which could have a significant impact on operations and reports, and determine whether the organization is in compliance.
* **Safeguarding of Assets** – Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
* **Effectiveness and Efficiency of Operations and Programs** – Appraise the effectiveness and efficiency with which resources are employed.
* **Achievement of the Organizations Strategic Objectives** – Review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

# **Internal Audit Plan**

In addition to performing the 2022 risk assessment for preparation of this Internal Audit Plan (Plan), this Plan includes two audits to be performed; a follow-up of prior year audit recommendations; other tasks that may be assigned by the Board or Audit Committee during the year; and, preparation of the Annual Internal Audit Report for fiscal year 2022.

The areas recommended for internal audit and other functions to be performed for fiscal year 2022 are as follows:

1. Completion of the fiscal year 2022 Risk Assessment and Preparation of this Internal Audit Plan
2. Public Funds Investment Act (PFIA) Compliance Audit

An audit of this area was performed to assess TSBVI’s controls in ensuring compliance with the PFIA requirements over the Legacy Fund investments, and to determine TSBVI’s adherence to its investment policy (*Report Date: September 10, 2021*).

1. Audit of Safety & Security Area

An audit of this area will be performed to assess the effectiveness and efficiency of the internal controls, policies, procedures, and processes in place for the Safety & Security Area; and, to determine compliance with applicable state requirements.

1. Follow-up of Prior Year Internal Audits and Prepare the 2022 Internal Audit Annual Report

Follow-up procedures will be performed to determine the status of prior year comments that were not fully implemented as of fiscal year ended August 31, 2021; and, prepare the 2022 Internal Audit Annual Report. The follow-up audit procedures will result in a determination that the recommendation is (1) Fully Implemented; (2) Substantially Implemented; (3) Incomplete/Ongoing; or, (4) Not Implemented.

1. Other Tasks

Other tasks as may be assigned by the Board, Audit Committee, or management during the fiscal year.

**ATTACHMENTS**





1. Does not include the Abuse, Neglect, and Exploitation, and, the Public Funds Investment Act (PFIA) Compliance, as they require a periodic audit every 3rd year and every biennial, respectively. [↑](#footnote-ref-1)
2. Performed by former TSBVI internal auditors. [↑](#footnote-ref-2)