

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

Austin, Texas

**INTERNAL AUDIT PLAN**

For Fiscal Year 2023



**TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED**  
Austin, Texas

Internal Audit Plan  
For Fiscal Year 2023

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# Garza/Gonzalez & Associates

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CERTIFIED PUBLIC ACCOUNTANTS

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 2023. This Plan determines the scope of internal audit activities and is the source for assignment and prioritization of internal audit responsibilities for fiscal year 2023. 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.

A handwritten signature in black ink that reads "Garza/Gonzalez & Associates". The signature is written in a cursive, flowing style.

January 5, 2023

# TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED

Austin, Texas

## Internal Audit Plan For Fiscal Year 2023

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### I. Methodology

TSBVI's fiscal year 2023 Internal Audit Plan (Plan) 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, changes in significant systems or key personnel, time elapsed since last audit or review, status from past audits or reviews, 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<sup>1</sup> were identified as the potential audit topics. A risk analysis was completed for each of the 16 individual 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 <i>financial</i> materiality based on the dollar amount per year of assets, receipts, or disbursements for which the auditable unit is responsible; or, <i>non-financial</i> materiality based on the degree of its responsibility related to TSBVI'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 and status of the prior audits or reviews.
4. Personnel	Measure of personnel changes and the adequacy of the auditable unit's staffing level as it relates to the achievement of its objectives.

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<sup>1</sup> Excludes the Abuse, Neglect, and Exploitation; and, the Public Funds Investment Act (PFIA) Compliance areas, as they require a periodic audit every 3rd year and every biennial, respectively.

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<b>Risk Factor</b>	<b>Description</b>
5. Policies & Procedures and Processes	Measure of established internal controls (policies and procedures documenting the auditable unit's activities) and changes in processes and systems.
6. Compliance Requirements	Measure of the complexity of contracts, laws, and/or regulations for which the auditable unit is responsible for ensuring compliance.
7. Fraud, Waste, or Abuse	Measure of the auditable unit's risks and controls in place as it relates to fraud, waste, or abuse.
8. Board & Management Feedback	Measure of feedback expressed in completed questionnaires.

### Risk Assessment

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

<b>HIGH RISK</b>	<b>MODERATE RISK</b>	<b>LOW RISK</b>
Information Resources	Outreach*	Human Resources & Payroll
Accounting & Financial Reporting*	Health Center	Records Management
Grants Administration*	Purchasing/ P-Card/ Contract Management/ HUB	Admission & Student Records*
Student Trust & Activity Funds	Residential Services	Safety & Security
		Assets & Facilities Management
		Transportation/ Weekends Home
		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 2013 through 2022 for the above 16 potential audit topics.

In the prior 3 years, the internal auditor performed the following *internal audit functions*:

### Fiscal Year 2022:

- Risk Assessment & Preparation of the Internal Audit Plan
- Public Funds Investment Act (PFIA) Compliance Audit
- Safety & Security Audit
- Follow-Up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

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### 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<sup>2</sup>:

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

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<sup>2</sup> Performed by former TSBVI internal auditors.

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## Internal Audit Plan

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### II. 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.

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### III. Internal Audit Plan

In addition to performing the 2023 risk assessment for preparation of this Internal Audit Plan (Plan), this Plan includes 2 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 2023 Internal Audit Annual Report.

The areas recommended for internal audit and other functions to be performed for fiscal year 2023 are as follows:

1. Completion of the Fiscal Year 2023 Risk Assessment and Preparation of this Internal Audit Plan

2. Abuse, Neglect, and Exploitation (ANE) Investigating Procedures Audit

An audit of this area will be performed to assess whether TSBVI's established policies, procedures and internal controls are operating effectively to ensure compliance with state laws and rules relating to investigation and reporting of alleged ANE. The assessment will also determine TSBVI's adherence to such established policies, procedures, and internal controls.

3. Audit of Records Management

An audit of this area will be performed to assess whether TSBVI has internal controls, policies, procedures, and processes in place that ensure its compliance with state and federal requirements related to records management; and, to determine the School's compliance with its records retention schedule.

4. Follow-up of Prior Year Internal Audits

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, 2022, which will result in a determination that the recommendation is (1) Fully Implemented; (2) Substantially Implemented; (3) Incomplete/Ongoing; or, (4) Not Implemented.

5. Preparation of the 2023 Internal Audit Annual Report

The 2023 Internal Audit Annual Report will be prepared in the form prescribed by the State Auditor's Office; and, that meets the Texas Internal Auditing Act requirements.

6. Other Tasks

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



## **ATTACHMENTS**

**TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED**  
**Risk Assessment Summary**  
**For Fiscal Year 2023**

RISK FACTOR WEIGHT																		
10.00%		17.00%		13.00%		12.00%		16.00%		12.00%		9.00%		11.00%				
RISK FACTORS																		
1		2		3		4		5		6		7		8				
POTENTIAL AUDIT TOPIC		Materiality		Time Since Last Audit or Review		Results of Prior Audit or Review		Personnel		Policies Procedures and Processes		Compliance Requirements		Fraud Waste or Abuse		Board & Management Feedback		Total
High Risk: > 163																		
1	Information Resources	2	20.00	2	34.00	<i>I</i>	13.00	2	24.00	<i>I</i>	16.00	3	36.00	2	18.00	<i>I</i>	11.00	172.00
2	Accounting & Financial Reporting*	3	30.00	2	34.00	<i>I</i>	13.00	2	24.00	<i>I</i>	16.00	2	24.00	2	18.00	<i>I</i>	11.00	170.00
3	Grants Administration*	2	20.00	2	34.00	<i>I</i>	13.00	2	24.00	2	32.00	2	24.00	<i>I</i>	9.00	<i>I</i>	11.00	167.00
4	Student Trust & Activity Funds	2	20.00	2	34.00	<i>I</i>	13.00	2	24.00	2	32.00	<i>I</i>	12.00	2	18.00	<i>I</i>	11.00	164.00
Moderate Risk: 155 - 163																		
5	Outreach*	2	20.00	2	34.00	<i>I</i>	13.00	<i>I</i>	12.00	<i>I</i>	16.00	2	24.00	<i>I</i>	9.00	3	33.00	161.00
6	Health Center	2	20.00	2	34.00	<i>I</i>	13.00	2	24.00	<i>I</i>	16.00	2	24.00	2	18.00	<i>I</i>	11.00	160.00
7	Purchasing/ P-Card/ Contract Management/ HUB	2	20.00	2	34.00	<i>I</i>	13.00	2	24.00	<i>I</i>	16.00	2	24.00	2	18.00	<i>I</i>	11.00	160.00
8	Residential Services	3	30.00	2	34.00	<i>I</i>	13.00	<i>I</i>	12.00	<i>I</i>	16.00	2	24.00	2	18.00	<i>I</i>	11.00	158.00
Low Risk: < 155																		
9	Human Resources & Payroll	3	30.00	<i>I</i>	17.00	<i>I</i>	13.00	2	24.00	<i>I</i>	16.00	2	24.00	2	18.00	<i>I</i>	11.00	153.00
10	Records Management	2	20.00	3	51.00	<i>I</i>	13.00	<i>I</i>	12.00	<i>I</i>	16.00	<i>I</i>	12.00	2	18.00	<i>I</i>	11.00	153.00
11	Admission & Student Records*	2	20.00	2	34.00	<i>I</i>	13.00	<i>I</i>	12.00	<i>I</i>	16.00	3	36.00	<i>I</i>	9.00	<i>I</i>	11.00	151.00
12	Safety & Security	2	20.00	<i>I</i>	17.00	2	26.00	2	24.00	<i>I</i>	16.00	2	24.00	<i>I</i>	9.00	<i>I</i>	11.00	147.00
13	Assets & Facilities Management	3	30.00	2	34.00	<i>I</i>	13.00	<i>I</i>	12.00	<i>I</i>	16.00	<i>I</i>	12.00	2	18.00	<i>I</i>	11.00	146.00
14	Transportation/ Weekends Home	2	20.00	2	34.00	<i>I</i>	13.00	<i>I</i>	12.00	<i>I</i>	16.00	<i>I</i>	12.00	2	18.00	<i>I</i>	11.00	136.00
15	Food Services	2	20.00	<i>I</i>	17.00	<i>I</i>	13.00	<i>I</i>	12.00	<i>I</i>	16.00	2	24.00	2	18.00	<i>I</i>	11.00	131.00
16	Supplies Warehouse	<i>I</i>	10.00	2	34.00	<i>I</i>	13.00	<i>I</i>	12.00	<i>I</i>	16.00	<i>I</i>	12.00	2	18.00	<i>I</i>	11.00	126.00

\* Includes applicable Performance Measures.

**Risk Factor Rating:**

1 - Low Risk

2 - Moderate Risk

3 - High Risk

**TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED**  
**History of Areas Audited**  
**For Fiscal Year 2023**

	POTENTIAL AUDIT TOPIC	Fiscal Year Audited/Reviewed									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1	Accounting & Financial Reporting <sup>1</sup>	B*				C		B*			
2	Admission & Student Records <sup>1</sup>					C					
3	Assets & Facilities Management	B*			A*	C		B*			
4	Food Services					C			D		
5	Grants Administration <sup>1</sup>					C*					
6	Health Center				A	C					
7	Human Resources & Payroll	B*		A*		C		B*		A1	B1*
8	Information Resources (to include Disaster Recovery Plan)					A/C					
9	Outreach <sup>1</sup>					C					
10	Purchasing/ P-Card/ Contract Management/ HUB	B*				A*/C		B*			
11	Records Management										
12	Residential Services	A*				C					
13	Safety & Security					C					A1
14	Student Trust & Activity Funds			A*		C					
15	Supplies Warehouse					C					
16	Transportation/ Weekends Home	A				C					
<i>Required Periodic Audits</i>											
17	Abuse, Neglect, and Exploitation		A			A			A		
18	Public Funds Investment Act (PFIA) Compliance		A		A	C*	A		A		A1

<sup>1</sup> Includes applicable Performance Measures.

**Legend (audits/reviews with asterisk (\*) are considered limited scope for the audit area)**

- A** Internal audit performed by TSBVI internal auditor(s).
- A1** Internal audit performed by Garza/Gonzalez & Associates, CPAs.
- B** Post-Payment audit performed by the Comptroller of Public Accounts.
- B1** Desk audit performed by the Comptroller of Public Accounts.
- C** School Performance Review performed by the Legislative Budget Board.
- D** Child Nutrition Program Review performed by the Texas Department of Agriculture.