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

Austin, Texas

INTERNAL AUDIT PLAN

For Fiscal Year 2024

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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 2024. This Plan determines the scope of internal audit activities and is the source for assignment and prioritization of internal audit responsibilities for fiscal year 2024. 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.



February 5, 2024

# **Methodology**

TSBVI’s fiscal year 2024 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:

* Organizational Charts
* Operating Budgets
* Financial and Non-Financial Reports
* Policies and Procedures
* Applicable Laws and Regulations
* Audits and/or Monitoring Reports from Third-Party Agencies
* 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[[1]](#footnote-1) were identified as the potential audit topics. A risk analysis was completed for each individual audit topic 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 unit is responsible; or, *non-financial* materiality based on the degree of its responsibility related to TSBVI’s primary mission. |
| 1. 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. |
| 1. Results of Prior Audit or Review | Measure of the results and status of the prior audits or reviews. |
| 1. Personnel | Measure of personnel changes and the adequacy of the auditable unit’s staffing level as it relates to the achievement of its objectives. |
| 1. Policies & Procedures and Processes | Measure of established internal controls (policies and procedures documenting the auditable unit's activities) and changes in processes and systems. |
| 1. Compliance Requirements | Measure of the complexity of contracts, laws, and/or regulations for which the auditable unit is responsible for ensuring compliance. |
| 1. Fraud, Waste, or Abuse | Measure of the auditable unit’s risks and controls in place as it relates to fraud, waste, or abuse. |
| 1. 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:

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

\* 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 2014 through 2023 for the above 16 potential audit topics.

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

Fiscal Year 2023:

* Risk Assessment & Preparation of the Internal Audit Plan
* Abuse, Neglect, and Exploitation (ANE) Investigating Procedures Audit
* Records Management Audit
* Follow-Up of the Prior Year Internal Audits
* Preparation of the Internal Audit Annual Report

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

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

# **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, as applicable, considers the following objectives:

* **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 2024 risk assessment in preparation for this Internal Audit Plan (Plan), this Plan includes 2 audits to be performed; a follow-up on the prior year’s internal audit recommendations; other tasks that may be assigned by the Board or Audit Committee during the year; and, preparation of the 2024 Internal Audit Annual Report.

The areas recommended for internal audit and other functions to be performed for fiscal year 2024 are as follows:

1. Completion of the Fiscal Year 2024 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: December 12, 2023*).

1. Audit of Residential Services Area

An audit of this area will be conducted to assess the adequacy of TSBVI’s established policies, procedures, processes, and internal controls in providing residential services. This evaluation will include ensuring compliance with the Area’s complaints and incident management procedures, as well as the staff’s adherence to various supervision and safety protocols.

1. 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, 2023, which will result in a determination that the recommendation is (1) Fully Implemented; (2) Substantially Implemented; (3) Incomplete/Ongoing; or, (4) Not Implemented.

Note: Follow-up on comments from the prior year’s Abuse, Neglect, and Exploitation audit and the Public Fund Investment Act Compliance audit is excluded. A follow-up of these issues is performed during the periodic audits of the respective areas, conducted triennially and biennially, respectively.

1. Preparation of the 2024 Internal Audit Annual Report

The 2024 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.

1. Other Tasks

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

**ATTACHMENTS**





1. 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. [↑](#footnote-ref-1)