



## **The Seattle Public Schools Office of Internal Audit**

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### **Internal Audit Work Plan**

**March 1, 2022, through February 28, 2025**

Issue Date: March 1, 2022

**Seattle Public Schools – Office of Internal Audit**  
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**Introduction**

In accordance with Board Policy 6550 and Board Procedure 6550BP – Internal Audit, the role of the Office of Internal Audit (Internal Audit) is to provide, “independent and objective assurance and consulting services designed to add value and improve the District's operations.” Every three years, Internal Audit shall require an enterprise risk assessment be conducted. In accordance with Board Policy 6500, the enterprise risk assessment should identify, assess, prioritize, and respond to opportunities and threats that affect the achievement of Seattle Public Schools (“District”) objectives. Using the completed risk assessment and input from District management, stakeholders, and the Board, Internal Audit shall develop a risk-based audit work plan identifying areas or departments for review. The District contracted with Crowe, LLP to help facilitate the 2021 enterprise risk assessment and development of the 2022 through 2025 Internal Audit Work Plan (the Plan).

Proposed projects in the Plan may include, but are not limited to, internal control reviews, capital program reviews, operational assessments, performance audits, or other advisory functions for any District function. Within the Plan, Internal Audit resources will be reserved for special audit requests to address pressing District needs. The Plan, as well as any revisions to the Plan, shall be reviewed and approved by the Audit and Finance Committee.

Internal Audit evaluates the timing implications of each area being considered for an audit. If an area is being audited or investigated, or if it is in the process of implementing significant changes to its operations, either in response to prior concerns or as part of an internal restructuring, we will adjust the timing of that area to ensure a more effective audit and to help provide greater value through meaningful recommendations. The Plan is also designed to be agile. For example, if the occurrence of a major event impacted District objectives, the Plan may need to be adjusted to provide a more immediate assessment in the affected area (e.g., cybersecurity breaches, allegations of fraud or theft, and natural disaster or pandemic-related outages).

On occasion, unforeseen circumstances may also prevent the completion of an audit. An area under audit may experience significant turnover or operational changes that make an internal audit unrealistic at that time. The State Auditor’s Office or other external entity may choose to audit an area before we complete our audit. It is also possible that an audit area may be under investigation by another regulatory entity. To avoid a duplication of effort, the selected area will be replaced by another audit priority.

As the year progresses, new risks or priorities may be identified. Internal Audit will work collaboratively with the Board, superintendent, and senior management team to continually identify ways to add value and improve District operations by providing insight and objective assurance related to the District’s internal controls, processes, organizational goals, and strategic objectives. As a result, changes to the Plan may be recommended, which can be approved by the Audit & Finance Committee at any time, if necessary.

A risk register (i.e., an inventory of risks to the District) has been developed to inform the enterprise risk assessment and the audit universe. While we used a risk-based approach for the Plan, the audit universe is also maintained to represent the potential range of all audit activities and has been continually developed over the years. As certain areas become obsolete, they are removed from the audit universe. Any new areas identified during the year (such as those identified through the enterprise risk assessment) are added to the audit universe and evaluated with the same risk factors as all other audit areas.

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There were 12 significant risks identified in the enterprise risk assessment which presented the greatest perceived risks to the District’s strategic, compliance, reporting, and operating objectives. We considered these risks in preparation of the Plan. Many of these risks are common among school districts across the country and are not unique to the District. Management’s top risks have been included in order of risk rating, according to impact and likelihood of occurrence, in the table below.

**Top Enterprise Risks**

#	Title	Summary of Risk Area
1	Structural Deficit	If the District does not establish a sustainable funding mechanism to address its structural deficit, then financial instability may adversely impact its ability to maintain current services or fund strategic initiatives.
2	Governance / Management	If the roles and responsibilities between management and governing bodies is unclear, it may impede the District's ability to achieve its goals due to conflicting priorities and directives, gaps in accountability, independence issues, and inefficient use of resources.
3	Union Relations / Labor Shortage	If the District is unable to fill all open teaching positions, then the additional workload and strain on faculty may adversely impact the quality of course offerings and programs.
4	Recruiting and Retention	If the Central Office is unable to hire and retain qualified personnel, then it may face vacancies which result in operational gaps or failure to deliver on strategic initiatives.
5	Siloed Communications	If the Central Office and schools do not effectively communicate policies and procedures which impact schools and families, then miscommunication or conflicting practices may negatively affect enrollment, health and safety protocols, and school operations.
6	Student Safety	If one or more students experience harm, injury, or mistreatment at the hands of an employee or contractor, then it may have wide-ranging implications for the District, including loss of family or community support, damage to employee morale, damage to its reputation, loss of funding, reduction in student enrollment, and financial losses. It may also result in personnel being subject to criminal investigation and prosecution.
7	Non-Compliance (Internal)	If departments and schools are not compliant with District policies and procedures, then it may present threats to the achievement of strategic/ program initiatives, operating needs, the ethical culture, and the control environment.
8	Natural Disasters and Catastrophes	If a natural disaster, catastrophe, or pandemic impacts the District or the communities it serves, then there may be wide-

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#	Title	Summary of Risk Area
		ranging or extended implications including: 1) loss of life, injuries, or illness; 2) limited or no access to classrooms or programs/activities; 3) faculty and personnel shortages, 4) system outages; and 5) reduced student enrollment.
9	Cyberattacks and Data Protection	If the District experiences an interruption to the availability of critical systems or applications, or if it incurs a loss of student or employee personally identifiable information (PII), then there may be wide-ranging implications including: 1) harm to students or employees; 2) a halt or limited operations and use of enterprise applications; 3) financial losses; or 4) reputational damage.
10	Reputation / Public Image	If inappropriate or illegal actions taken by District personnel, board members, or affiliated entities are reported to the public, then it may damage the District's public image and relationships with students, families, and communities. It may also lead to a decline in enrollment and funding.
11	Strategic Initiatives	If the District has not clearly identified the goals and expected outcomes for certain programs and initiatives, then this may increase inefficient use of resources and excessive spending.
12	Non-Compliance (External)	If the District does not comply with federal compliance requirements (e.g., Title I, LAP, other grantor agencies) then it may be required to return funds, incur penalties or fines, or it may lose future funding.

**Proposed Internal Audit Work Plan**

We completed the following procedures to develop the three-year Plan:

1. Considered the results of the enterprise risk assessment and our independent evaluation to identify the top inherent risks to the District.
2. Obtained an understanding of mitigation strategies and key controls to understand residual risk for each of the top risk areas.
3. Develop a schedule of audit areas for the succeeding three years broken out by capital and noncapital audits.
4. Developed preliminary audit objectives for each audit area to address key risks.
5. Met with senior leadership to confirm that the timing and scope of the proposed audits would provide value to their operations and avoid a significant disruption to their current initiatives.

The Plan is divided between Non-Capital and Capital audits to properly reflect funding sources and available resources. Please note that the budgeted resources are an estimate and are subject to change.

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While the Plan is driven by the enterprise risk assessment, there are certain risks that are better audit “candidates” than others. This may occur when the related area is primarily driven by external influences or when it is still in development. For these risks, we determined that Internal Audit may be positioned to add the most value by serving in an advisory capacity while District leaders and risk owners develop their risk response plans as part of the ERM program implementation initiative. Internal Audit may also serve the District as a valuable resource by tracking, monitoring, and validating the completion of management’s corrective action plans resulting from prior audit findings. To address this need, we have devoted hours within each school year to *Risk Response Plan Assessment and Corrective Action Plan Validation*.

In addition, we have acknowledged that the *Structural Deficit* is a known risk which is highly driven by external influences (e.g., state legislature and funding formula). Audits which are aligned with the Structural Deficit risk are intended to provide value from determining where there may be opportunities to improve operational efficiency and use of District resources, and which focus on preventing and detecting fraud, waste, or misuse of limited District resources.

The primary audits planned for the succeeding three years are included below and are divided into non-capital and capital audits. It is based on budgeted staff hours available for audit projects and \$100,000 budgeted per year for outsourced projects. The Staffing column indicates the preferred arrangement for performing the audits. Projects indicating “Internal” would be performed solely by Internal Audit personnel. “Outsourced” projects would be performed by a third-party service provider with support from Internal Audit.

As indicated in the Budgeted Hours/Fees column below, hours for outsourced projects include an estimated range for internal staff support and a preliminary cost estimate. Please note that costs are dependent upon scope and other unknown factors and are subject to change; however, Internal Audit will prioritize projects based on risk, and total costs will not exceed the \$100,000 annual budget. Remaining funds, if any, may be used to bring in specialists to augment services on other projects within that year’s plan. The estimated resources for internal audits are also preliminary, and the actual hours necessary to complete each item will be determined after the audit begins and we gain a better understanding of the audit.

The Plan is a commitment to focus on audit priorities that align with the District’s top risks rather than a commitment to complete all audits within the Plan. The Audit & Finance Committee approves the Plan which allows for reprioritization and includes sufficient audits for Internal Audit to remain productive for the duration of the Plan. Internal Audit will update the Audit & Finance Committee if significant or emergent concerns are discovered, or if unforeseen obstacles are encountered that would delay the completion of an audit or alter the timing of an audit. The Plan will be revisited on an annual basis to ensure that the risks are assessed, and audits remain meaningful, relevant, and aligned with District objectives.

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**2022/2023 Non-Capital Audit Plan:**

Audit Name	Staffing	Description	Budgeted Hours/Fees
Culinary Services Advisory Engagement (Carry-Over)	Internal	<p><b>Objective:</b> To evaluate Culinary Services operational practices and determine if processes can be streamlined.</p> <p><b>Scope:</b> Centralized supply chain processes within Culinary Services, Procurement, and the Warehouse. Focusing on internal controls and segregation of duties, while streamlining processes.</p> <p><b>Enterprise Risk Alignment:</b> Non-Compliance (Internal); Non-Compliance (External); Siloed Communications; Student Safety; Structural Deficit.</p> <p>This is a carry-over engagement from the prior school year, but it does assess compliance, communications, and student health which is aligned with the safety and well-being of students.</p>	100
External Communications Assessment	Outsourced	<p><b>Objective:</b> To confirm that the District has established clear and comprehensive roles, responsibilities, and restrictions for external-facing communications.</p> <p><b>Scope:</b> This audit will evaluate the management of communications by employees, contractors, Board members and other key stakeholders to confirm that 1) The applicable individuals have been trained or informed of the expectations and limitations pertaining to communications with the public, media, social media, or other external communications, 2) that monitoring mechanisms are in place to identify the need to respond to issues or incidents, and 3) Protocols are in place for developing and issuing the necessary communications by the appropriate individuals.</p> <p><b>Enterprise Risk Alignment:</b> Reputation/Public Image; Strategic Initiatives; Siloed Communications.</p> <p>This assessment should be conducted by a public relations specialist. Identifying areas to improve the clarity and consistency of communications with the media and general public may boost the</p>	100 - 300 \$40K - \$50K

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Audit Name	Staffing	Description	Budgeted Hours/Fees
		effectiveness of District communications and help avoid the spread of misinformation.	
School Audits	Internal	<p><b>Objective:</b> To verify if controls at the school-level are functioning properly (e.g., cash handling, disbursements, payroll, compliance with administrative policies, etc.).</p> <p><b>Scope:</b> School-level financial and administrative practices and procedures.</p> <p><b>Enterprise Risk Alignment:</b> Structural Deficit; Non-Compliance (Internal); Non-Compliance (External); Cyberattacks and Data Protection; Reputation/Public Image.</p> <p>These audits involve relatively low dollar amounts but add value by assessing the District’s management of reputational/public perception, data privacy, adherence to District policy, and regulatory compliance risks.</p>	500 - 650
Key Controls Quantitative Analysis	Internal	<p><b>Objective:</b> To develop analytical procedures to determine if key controls are properly functioning. These procedures will be used to monitor controls’ operating effectiveness and assist in the detection and resolution of errors or fraudulent activity.</p> <p><b>Scope:</b> This will be a cross-functional initiative to collect and analyze data to identify trends and anomalies within core administrative support functions including procurement, vendor profile setup and maintenance, disbursements, capital assets, and payroll, and other core functions.</p> <p><b>Enterprise Risk Alignment:</b> Structural Deficit; Governance/Management; Siloed Communications; Non-Compliance (Internal).</p> <p>This engagement will focus on identifying potential non-compliance, inefficiencies, or fraud. Informing management and the Board of any issues in these areas may enable cost-savings or other corrective measures to enhance the use of limited resources, strengthen controls, and improve operating efficiency.</p>	300 - 500

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Audit Name	Staffing	Description	Budgeted Hours/Fees
Recruiting, Hiring, and Retention Performance Audit	Outsourced	<p><b>Objective:</b> To evaluate the District’s ability to fill and retain personnel in key positions which require specific qualifications and experience.</p> <p><b>Scope:</b> This audit will address 1) The effectiveness of recruiting practices to attract qualified candidates to open positions, 2) The efficiency of hiring practices to fill open positions in a timely manner, and 3) The District’s ability to retain skilled employees through its compensation packages.</p> <p><b>Enterprise Risk Alignment:</b> Recruiting and Retention; Union Relations / Labor Shortage.</p> <p>This audit may help management focus limited resources on the most impactful areas for improving talent acquisition and retention capabilities. An issue noted frequently during the enterprise risk assessment was that the District may be increasingly challenged with attracting and retaining qualified candidates for skilled positions. Contributing factors include the high cost of living in the Seattle area, and competition with the private sector for skilled positions (e.g., in the fields of Finance, IT).</p>	150 - 300 \$30K - \$50K
Risk Response/ Corrective Action Plans Validation	Internal	Includes follow-up procedures to verify if management has adequately completed corrective action plans from prior audits and reviews. This also includes advisory services to support management’s development of risk response plans as part of the District’s ERM initiative.	200 - 300
Special Projects Contingency	Internal	Includes responding to management requests, supporting Audit & Finance Committee meetings and requests, and other unplanned work.	200

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**2023/2024 Non-Capital Audit Plan:**

Audit Name	Staffing	Description	Budgeted Hours/Fees
Regulatory Requirements Analysis	Internal	<p><b>Objective:</b> To determine that the District has identified and implemented adequate practices to monitor compliance with government regulatory requirements.</p> <p><b>Scope:</b> This initiative will include evaluation of roles &amp; responsibilities and tracking &amp; monitoring mechanisms in place to identify and respond to regulatory reporting requirements at the federal, state, and local levels. This review will address funding regulations (e.g., Title I, ESSA, OSPI, and local levies), student civil rights protections (e.g., Title II of ADA, Title IX), and other federal, state, and local requirements.</p> <p><b>Enterprise Risk Alignment:</b> Non-Compliance (External); Student Safety; Public Image/Reputation, Structural Deficit.</p> <p>This audit will address compliance with regulatory reporting requirements. Several of these regulations pertain to student safety and civil rights (Title IX, Title II of ADA). An issue of non-compliance could lead to an adverse impact on public perception of the District.</p>	400 - 500
Disaster Recovery Response Audit	Outsourced	<p><b>Objective:</b> To evaluate disaster recovery plans and mitigation activities to ensure they are functioning as intended.</p> <p><b>Scope:</b> This audit will address mechanisms to monitor structural issues based on Loss of Life Prevention/Seismic studies, and the adequacy of drills and tabletop exercises for relevance and the ability to execute in the case of an emergency.</p> <p><b>Enterprise Risk Alignment:</b> Natural Disasters and Catastrophes; Structural Deficit.</p> <p>This audit may identify issues and provide recommendation which may help the District address gaps or weaknesses in response capabilities.</p>	150 - 300 \$40K - \$60K

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Audit Name	Staffing	Description	Budgeted Hours/Fees
School Audits	Internal	<p><b>Objective:</b> To verify if controls at the school-level are functioning properly (e.g., cash handling, disbursements, payroll, compliance with administrative policies, etc.).</p> <p><b>Scope:</b> School-level financial and administrative practices and procedures.</p> <p><b>Enterprise Risk Alignment:</b> Structural Deficit, Non-Compliance (Internal); Non-Compliance (External); Cyberattacks and Data Protection; Reputation/Public Image.</p> <p>These audits involve relatively low dollar amounts but add value by assessing the District’s management of reputational/public perception, data privacy, adherence to District policy, and regulatory compliance risks.</p>	300 - 450
Key Controls Quantitative Analysis	Internal	<p><b>Objective:</b> To perform analytical procedures to determine if key controls are properly functioning. These procedures will be used continuously to monitor controls’ operating effectiveness and assist in the detection and resolution of errors or fraudulent activity.</p> <p><b>Scope:</b> This will be a cross-functional initiative to collect and analyze data to identify trends and anomalies within core administrative support functions including procurement, vendor profile setup and maintenance, disbursements, capital assets, and payroll, and other core functions.</p> <p><b>Enterprise Risk Alignment:</b> Structural Deficit; Governance/Management; Siloed Communications; Non-Compliance (Internal).</p> <p>This engagement will focus on identifying issues of non-compliance, inefficiencies, or potential fraud. Informing management and the Board of any issues in these areas may enable cost-saving or other corrective measures to enhance the use of limited resources, strengthen controls, and improve operating efficiency.</p>	250 - 350

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Audit Name	Staffing	Description	Budgeted Hours/Fees
Student Safety Performance Audit	Outsourced	<p><b>Objective:</b> To confirm that the District has implemented reasonable mechanisms to prevent harm to students, and its capability to detect and address incidents jeopardizing student safety in an efficient, effective manner.</p> <p><b>Scope:</b> This audit will examine the District’s current practices for maintaining student safety, including:</p> <ol style="list-style-type: none"> <li>1) Confirmation that District policies and procedures are aligned with applicable regulatory requirements for maintaining student safety and reporting any incidents involving student safety.</li> <li>2) Verify that employee and contractor hiring practices include thorough criminal background screening for individuals who may have contact with students or student information.</li> <li>3) Confirm that employee and contractor onboarding practices include training on allowable interactions with students, including disciplinary actions.</li> <li>4) Determine that the District has implemented sufficient reporting mechanisms to enable incidents involving student safety to be reported to the appropriate contacts and authorities, as needed.</li> <li>5) Determine that the District has sufficient mechanisms to track the timing and results of student safety investigations.</li> </ol> <p>Verify that HR practices include efficient disciplinary measures for employees or contractors who violate applicable District policies, up to and including termination or criminal prosecution.</p> <p><b>Enterprise Risk Alignment:</b> Student Safety; Reputation/Public Image; Structural Deficit.</p> <p>A cross-functional approach to this audit (e.g., policies, hiring practices, training, data protection, reporting/monitoring) may help identify underlying</p>	<p>100 - 300 \$40K - \$60K</p>

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Audit Name	Staffing	Description	Budgeted Hours/Fees
		issues which may have led to past student safety issues, and which may prevent future occurrences.	
Contract Audits	Internal	<p><b>Objective:</b> To verify that the District contracts followed the appropriate procurement method, received the appropriate levels of approval, included a detailed scope of work description, and contain evidence that adequate services were received in exchange for the funds expended.</p> <p><b>Scope:</b> The audit will include competitive selection and procurement practices, contract review, and performance monitoring activities for the District’s vendors.</p> <p><b>Enterprise Risk Alignment:</b> Structural Deficit; Governance/Management; Siloed Communications; Non-Compliance (Internal).</p>	100 - 200
Risk Response/ Corrective Action Plans Validation	Internal	Includes follow-up procedures to verify if management has adequately completed corrective action plans from prior audits and reviews. This also includes advisory services to support management’s development of risk response plans as part of the District’s ERM initiative.	200 – 300
Special Projects Contingency	Internal	Includes responding to management requests, supporting Audit & Finance Committee meetings and requests, and other unplanned work.	200

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**2024/2025 Non-Capital Audit Plan:**

Audit Name	Staffing	Description	Budgeted Hours/Fees
IT General Controls Audit	Outsourced	<p><b>Objective:</b> To assess the District’s alignment with industry standards and best practices in Information Technology General Controls (ITGC) and identify areas for strengthening controls.</p> <p><b>Scope:</b> This audit will evaluate the completeness and adequacy of the District’s social engineering awareness efforts, information security policies, and network configuration in relation to accepted security frameworks and best practices.</p> <p><b>Enterprise Risk Alignment:</b> Cyberattacks and Data Protection; Structural Deficit.</p> <p>Identification of any gaps or weaknesses in ITGC may assist management’s ability to prevent or detect a major breach, system outage, or loss of data.</p>	100 - 300 \$40K - \$50K
School Emergency Response Audit	Internal	<p><b>Objective:</b> To assess District schools’ compliance with applicable rules and regulations for school emergency preparedness and response practices.</p> <p><b>Scope:</b> The audit will include schools’ emergency response plans including but not limited to emergency drills, availability of CPR and first aid certified staff, adequacy of resources for food, water, and supplies in the event of an emergency.</p> <p><b>Enterprise Risk Alignment:</b> Student Safety, Non-Compliance (Internal) Non-Compliance (External).</p>	300 - 400
School Audits	Internal	<p><b>Objective:</b> To verify if controls at the school-level are functioning properly (e.g., cash handling, disbursements, payroll, compliance with administrative policies, etc.).</p> <p><b>Scope:</b> School-level financial and administrative practices and procedures.</p> <p><b>Enterprise Risk Alignment:</b> Structural Deficit; Non-Compliance (Internal); Non-Compliance (External); Cyberattacks and Data Protection; Reputation/Public Image.</p>	300 - 450

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Audit Name	Staffing	Description	Budgeted Hours/Fees
		<p>These audits involve relatively low dollar amounts but add value by assessing the District’s management of reputational/public perception, data privacy, adherence to District policy, and regulatory compliance risks.</p>	
<p>Key Controls Quantitative Analysis</p>	<p>Internal</p>	<p><b>Objective:</b> Perform analytical procedures to determine if key controls are properly functioning. These procedures will be used to monitor controls’ operating effectiveness and assist in the detection and resolution of errors or fraudulent activity.</p> <p><b>Scope:</b> This will be a cross-functional initiative to collect and analyze data to identify trends and anomalies within core administrative support functions including procurement, vendor profile setup and maintenance, disbursements, capital assets, and payroll, and other core functions.</p> <p><b>Enterprise Risk Alignment:</b> Structural Deficit; Governance/Management; Siloed Communications; Non-Compliance (Internal).</p> <p>This engagement will focus on identifying potential non-compliance, inefficiencies, or fraud. Informing management and the Board of any issues in these areas may enable cost-savings or other corrective measures to enhance the use of limited resources, strengthen controls, and improve operating efficiency.</p>	<p>200 - 300</p>
<p>Contract Audits</p>	<p>Internal</p>	<p><b>Objective:</b> To verify that the District contracts followed the appropriate procurement method, received the appropriate levels of approval, included a detailed scope of work description, and contain evidence that adequate services were received in exchange for the funds expended.</p> <p><b>Scope:</b> The audit will include competitive selection and procurement practices, contract review, and performance monitoring activities for the District’s vendors.</p>	<p>100 - 200</p>

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Audit Name	Staffing	Description	Budgeted Hours/Fees
		<b>Enterprise Risk Alignment:</b> Structural Deficit; Governance/Management; Siloed Communications; Non-Compliance (Internal).	
Internal Communications Assessment	TBD* Internal or Outsourced	<p><b>Objective:</b> This assessment will include the following objectives:</p> <p>1) To evaluate the effectiveness of the structures and communication mechanisms to deliver information to schools, school leaders, and central administrators.</p> <p>2) To assist management in an advisory capacity during development of a risk response/action plan to address compliance with District policies and procedures.</p> <p><b>Scope:</b> This engagement will consider if communication roles and responsibilities have been defined, expectations for communications by type, frequency or urgency have been established, and the extent of performance monitoring activities such as key performance indicators (KPI) or key risk indicators (KRI) to assist leadership in assessing the effectiveness of communications between the Central Office, schools, families, and communities.</p> <p>This consulting engagement will focus on the completeness and adequacy of management’s risk-based approach to prioritize compliance with internal policies and procedures and develop mechanisms to monitor department and school personnel’s adherence to these requirements.</p> <p><b>Enterprise Risk Alignment:</b> Non-Compliance (Internal); Structural Deficit; Siloed Communications.</p> <p>This assessment may help the District identify and remediate issues which impact the clarity and consistency of communications within the District, including the implementation of new policies and procedures, programs, or strategic initiatives.</p>	100 – 400 \$25K - \$40K
Risk Response/ Corrective	Internal	Includes follow-up procedures to verify if management has adequately completed corrective	200 - 300

\* Outsourced funds available in the 2024/2025 Plan year may be used to assist with the Capital Audit Plan.

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Audit Name	Staffing	Description	Budgeted Hours/Fees
Action Plans Validation		action plans from prior audits and reviews. This also includes advisory services to support management’s development of risk response plans as part of the District’s ERM initiative.	
Special Projects Contingency	Internal	Includes responding to management requests, supporting Audit & Finance Committee meetings and requests, and other unplanned work.	200

**Capital Audit Plan**

The Capital Audit Plan is driven by the enterprise risk assessment. The primary recommended audit areas include construction/capital projects, air quality improvements in district buildings, and salaries allocated to the Capital Projects Fund.

**2022 Capital Audit Plan.** The audits planned for the 2022 calendar year are included below. We have allocated 100% to construction/capital project audits.

Audit Name	Description	Budgeted Hours
Construction Audits	<p><b>Objective:</b> To determine if construction projects are being managed efficiently, and in accordance with applicable terms and conditions and District policies.</p> <p><b>Scope:</b></p> <ul style="list-style-type: none"> <li>• Webster School Addition &amp; Modernization Project</li> <li>• Ingraham High School Addition &amp; Modernization Project</li> </ul> <p><b>Enterprise Risk Alignment:</b> Structural Deficit; Non-Compliance (Internal); Non-Compliance (External); Reputation/Public Image.</p> <p>These audits may add value by detecting improper expenditures of District resources, non-compliance with contractual terms and conditions, or non-compliance with District policies which may impede the effective, efficient use of funding or adversely impact public image.</p>	100% of available resources

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**2023 Capital Audit Plan.** The audits planned for the 2023 calendar year are included below. We have allocated approximately 60% to construction audits and 40% to an audit of air quality improvements.

Audit Name	Description	Budgeted Hours
Construction Audits	<p><b>Objective:</b> To determine if construction projects are being managed efficiently, and in accordance with applicable terms and conditions and District policies.</p> <p><b>Scope:</b> These audits will include <i>Additions, Modernizations, and New Construction</i> included in the adopted capital budget. Individual projects to be determined.</p> <p><b>Enterprise Risk Alignment:</b> Structural Deficit; Non-Compliance (Internal); Non-Compliance (External); Reputation/Public Image.</p> <p>These audits may add value by detecting improper expenditures of District resources, non-compliance with contractual terms and conditions, or non-compliance with District policies which may impede the effective, efficient use of funding or adversely impact public image.</p>	60% of available resources
Air Quality Improvements in District Buildings	<p><b>Objective:</b> To verify that District resources are managed cost effectively to achieve expected project outcomes.</p> <p><b>Scope:</b> This audit will review the District’s efforts to improve the health and safety of students and personnel through improving air quality within District buildings.</p> <p><b>Enterprise Risk Alignment:</b> Student Safety; Reputation/Public Image.</p> <p>This audit may add value by assessing management’s ability to address air quality issues which may impact student health and safety and could result in damage to the District’s public image if an incident were to occur.</p>	40% of available resources

**Note:** This Internal Audit Work Plan is for use by Seattle Public Schools and should not be used by or relied upon by any party other than Seattle Public Schools.

**Seattle Public Schools – Office of Internal Audit**  
**Internal Audit Work Plan (March 1, 2022 – February 28, 2025)**

**2024 Capital Audit Plan.** The audits planned for the 2024 calendar year are included below. We have allocated approximately 60% to construction/capital project audits and 40% to salary allocation audits. We have also allocated up to \$50,000 of budgeted resources to engage specialists to support capital audits during this year.

Audit Name	Description	Budgeted Hours/Fees
Construction Audits	<p><b>Objective:</b> To determine if construction projects are being managed efficiently and in accordance with applicable terms and conditions and District policies.</p> <p><b>Scope:</b> These audits will include <i>Additions, Modernizations, and New Construction</i> included in the adopted capital budget. Individual projects to be determined.</p> <p><b>Enterprise Risk Alignment:</b> Structural Deficit; Non-Compliance (Internal); Non-Compliance (External); Reputation/Public Image.</p> <p>These audits may add value by detecting any improper expenditures of District resources and prevent or detect non-compliance with contractual terms and conditions or District policies which may adversely impact public image.</p>	<p>60% of available resources</p> <p>\$30K-\$50K</p>
Audit of Salaries Charged to the Capital Projects Fund	<p><b>Objective:</b> To determine if salaries have been properly allocated to the Capital Projects Fund.</p> <p><b>Scope:</b> This audit will include employee salaries and benefits allocated to the Capital Projects Fund.</p> <p><b>Enterprise Risk Alignment:</b> Structural Deficit; Non-Compliance (Internal); Reputation/Public Image.</p> <p>This audit may add value by detecting inappropriate or incorrect allocation of salaries to the Capital Projects Fund, which may impede the proper utilization of District resources, result in non-compliance with District policies, or adversely impact public image.</p>	<p>40% of available resources</p>

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**Seattle Public Schools – Office of Internal Audit**  
**Internal Audit Work Plan (March 1, 2022 - February 28, 2025)**

At the September 5, 2023 Audit Committee Meeting, the Committee unanimously approved a change to the Work Plan to include the following audit.

## Proposed Change to Internal Audit Work Plan – September 5, 2023

Proposed Change: Addition of a new audit to the Work Plan  
Initiated By: Director Hampson  
Audit Name: Enrollment of McKinney Vento and Foster Students  
Preliminary Scope: The audit will focus on current practices  
Objectives: To determine if:

- The District is in compliance with Federal and State requirements related to the enrollment and disenrollment of McKinney Vento and Foster Students.
- The District is in compliance with its own policies and procedures related to the enrollment and disenrollment of McKinney Vento and Foster Students.
- District schools have adequate information, data, and resources to effectively support McKinney Vento and foster students in their buildings.
- The District has adequate data and systems to effectively support McKinney Vento and foster students.

### Background Information:

There is a disconnect between enrollment regulations and McKinney Vento and foster student regulations. The state requires that truant students be disenrolled from the District after a certain number of absences; however, there is also a requirement that McKinney Vento and foster students attend school at any time. Specific compliance requirements will be researched during the audit.

There may also be a disconnect of information within the District. School staff understand truancy rules, but they may not have knowledge of which students in their buildings qualify as McKinney Vento and foster students. Schools cannot effectively support these students if they do not know who they are. Schools should follow up on disenrolled McKinney Vento and foster students to ensure they enroll in another district, private school, or homeschool option.

National data indicates that thousands of students are missing from schools, and truancy is a suspected cause of the decrease in enrollment. District schools may be inappropriately disenrolling students that should be receiving additional support as McKinney Vento or foster students. This can negatively impact the District's funding as well as its strategic initiative to support its most vulnerable students.

### Risk Alignment:

The audit aligns with the following top enterprise risk assessment risks facing the District:

- Structural Deficit – Incorrectly disenrolling McKinney Vento and foster students that should be receiving additional support could negatively impact the District's funding.
- Siloed Communications – Lack of communication between central office and school staff could hinder a school's ability to effectively support McKinney Vento and foster students.
- Non-compliance External - If the District does not comply with federal and state compliance requirements, then it may be required to return funds, incur penalties or fines, or it may lose future funding.
- Non-compliance Internal - If departments and schools are not compliant with District policies and procedures, then it may present threats to the achievement of strategic initiatives, operating needs, the ethical culture, and the control environment.
- Strategic Initiatives – One the District's primary initiatives is ensuring that students furthest away from educational justice thrive. McKinney Vento and foster students are some of the District's most vulnerable students and are central to the Strategic Plan.
- Reputational / Public Image – If the District fails to comply with federal or state requirements, or if it fails to serve its most vulnerable students, then it may damage its public image and relationships with students, families, and communities.

### Timing and Assignment:

If approved, the audit will begin in Fall, 2023. The audit may be outsourced to an experienced audit firm, or it may be conducted internally by Office of Internal Audit staff. This will be determined once potential outsource vendors can be analyzed to determine their expertise.