Internal Audit:
Proactive Growth through Introspective Analysis

Presented By:
Gibson – the TASB Affinity Partner for Internal Audit Services

Introductions

Today’s Topics

What is Internal Audit Anyway?
What Would Internal Audit Look Like?
What do Results Look Like?
How do I Implement an Internal Audit Program?

Feel free to ask questions anytime via Chat!

Internal Audit

- Different from an “external” audit, which provides an opinion on the accuracy of financial statements
- Is a “consulting” activity that takes a deeper look at processes and their:
  - Effectiveness
  - Efficiency
  - Compliance

Internal Audit Lifecycle

Annual Update → Audit Plan → Special Needs → Audit Projects → Follow-Up
What Would Internal Audit Look Like?

Who’s the Boss?

Historically under the Superintendent or Business Office

Now must report directly to the Board (Texas Education Code Section 11.170 (2006))

What’s in an Audit...

Audit Universe

Benefits of Internal Audit

What Do Results Look Like?
Audits Evaluate...

- Functional / program strengths and weaknesses – to identify opportunities for improvement
  - Effectiveness
  - Efficiency (spending, staffing, technology utilization)
  - Compliance
  - Organizational Structure
  - Policy Framework
  - Internal Controls
  - Data Integrity

Facilities Management Audit

- Initial Audit: 2016
- Follow-up Audit: 2019
  - Included building maintenance, custodial, grounds, and energy management

Facilities Management Audit

- Commendations (4)
  - Example: Significantly improved work order response times
- Major Audit Findings (8)
  - Example: Custodial scheduling inefficient; too much cleaning occurring during school rather than after school

Facilities Management Audit

- Follow-up audit (2019):
  - District implementation reports showed substantial progress
  - Follow-up audit showed otherwise

Academic Program Management

- Independent curriculum review conducted by TASA in 2012
- Major structural recommendations were made to improve the curriculum and its implementation
- Board established new policy framework for curriculum and instruction
- Used internal audit to evaluate how far we had come

Academic Program Management

- Major observations:
  - Approach to academic program management represents best practice in virtually every element
  - Significant positive changes, particularly over the past 3 years
  - Focus from this point forward will be on deep implementation with fidelity across schools
### Academic Program Management

**Commissions:**
- Comprehensive policy framework adopted by Board
- New accountability system (CBAS) provides holistic measures of student progress and success
- Alignment of written, taught, and tested curriculum
- Preferred instructional models and comprehensive tools available for the delivery of instruction

### Academic Program Management

**Recommendations:**
- Integrate change management practices to achieve successful deep implementation
- Enhance curriculum to support culturally responsive teaching
- Provide training specific to the broader use of available curriculum components
- Develop guidelines for lesson plans to ensure that essential components are included

### Other Audits

- Special Education
- Construction Management (Bond Program)
- Human Resources
- Purchasing
- Transportation
- Technology

All reports are posted on FBISD website – full transparency

### Audit Implementation Dashboard

- **District Implementation of Internal Audit Projects**
  - [Audit Summary](#)
  - [Audit Universe Summary](#)
  - [Audit Recommendation Status](#)

Click on the icons to view more information about the audit year.

![Audit Implementation Dashboard](#)

**How Do I Implement an Internal Audit Program?**
Implementation Considerations

- Broader versus narrower scope
- Long-term program versus periodic one-off audits
- In-house versus out-source
- Use of Board Audit Committee
- Start with risk assessment
- How much to invest?

Investing in Internal Audit

\$ = \frac{1}{10} \text{ of } 1\% \text{ of TOTAL budget}

Academic and Financial Return on Investment

Board AND Superintendent need to be invested

Not a "Gotcha"

Thank You

Kristin Tassin
Kristin.Tassin@fortbendisd.com

Grayle James
Grayle.James@fortbendisd.com

Jason Burdine
Jason.Burdine@fortbendisd.com

Greg Gibson, President
ggibson@gibsonconsult.com
512.328.0885

Kristin.Tassin@fortbendisd.com

Grayle.James@fortbendisd.com

Jason.Burdine@fortbendisd.com

www.fortbendisd.com

www.gibsonconsult.com