

Status of Internal Audit Staffing

Audit and Finance Committee

22 March 2017

Staffing Pattern

Fiscal Year 2011 (FY-11)

- Director, Internal Audit and Investigations
- Audit Manager – Information Systems
- Audit Manager – Operations
- Audit Manager – Special Education
- Auditor – Capital Projects (0.40 FTE)
- 2 Operations Auditors
- Investigator

Current –FY-17

- Director, Internal Audit and Investigations
- Audit Manager – Operations
- Audit Manager – Special Education
- 2 Operations Auditors

Staff Attrition from FY-11 to FY-17

- Director, Internal Audit & Investigations (DIA&I) retired effective 22 January 2011
- Replaced by the Audit Manager – Information Systems
- Audit Manager – Information Systems Not Backfilled
- Investigator's Position transferred to Human Resources Division effective 1 July 2011
- Capital Projects Auditor resigned (FY-13) position not backfilled most potential hires were not willing to work only 2 days per week.
- DIA&I retired effective 2 September 2014
- Replaced with current DIA&I on 12 November 2014
- **Operational Auditors and Audit Managers have remained the same.**

Risk Areas included in FY-17 Work Plan

- **Time and Labor**
 - Review of Time and Labor Charges for iHigh Virtual Academy for FY-15 and FY-16
 - District Wide Audit of the Reliability of Time and Labor Reporting
- **Employee Benefits**
 - Follow-up Review of Employee Health and Dental Insurance Audit
- **Procurement**
 - Districtwide Audit of Purchase Card Program
 - Districtwide Audit of Selected Contract Change Orders

Risk Areas included in FY-17 Work Plan

(continued)

- **Finance Division Operations**
 - Audit of Internal Controls Over Wire Transfers
 - Review of Potential Improper Payments
- **Information Technology**
 - User Access to District Systems
- **Follow-up Reviews of Prior Audit Reports and Recommendations**
 - Serra High School – Review of the Serra Football Booster and Related Hotline Allegations
 - Cadman Elementary School – Selected Financial Operations
 - Hawthorne Elementary School – Selected Financial Operations
 - Associated Student Body Fund Operations at the Bethune K-8 and Zamorano Elementary School

Risk Areas included in FY-17 Work Plan

(continued)

- **Associated Student Body Fund**
 - Cash Receipts and Disbursements for the Period 1 July through 31 December 2016 at Selected Schools
- **Added at the Direction of the Superintendent of Public Education**
 - Review of the Community Services Association 's Fiscal Year 2016 Financial Statements
- **Hotline Allegations**

Cost of Internal Audit Operations

- FY-17 Budgeted Costs

○ Personnel	\$546,109
○ Fringe Benefits	231,890
○ Operations and Maintenance	<u>52,282</u>
○ Total Operating Budget	<u>\$830,281</u>

- Estimated Hourly Operating Cost \$397.64
- Estimated Individual Hourly Cost \$ 79.53

Comparisons to Other Districts

School District	Total Students	Total Schools	Audit Budget	District Budget	I/A Investment	Auditors per \$100 Million	Auditors per 1,000 Students	Number of Auditors
Clark County Nevada	320,681	356	1,036,693	2,231,427,469	0.00046	0.49	0.30	8.00
Fairfax County Virginia	186,714	196	1,250,397	2,600,000,000	0.00048	0.27	0.04	7.00
Houston ISD	215,157	283	2,204,865	1,663,912,332	0.00133	1.08	0.08	18.00
Los Angeles USD	732,833	1,274	2,433,321	7,080,000,000	0.00034	0.25	0.02	18.00
Miami-Dade County	345,000	400	3,000,000	3,000,000,000	0.00100	1.10	0.10	33.00
Orange County, FL	197,249	186	778,924	1,921,686,177	0.00041	0.31	0.03	6.00
Seattle Washington	53,872	98	392,629	753,086,395	0.00052	0.35	0.05	2.67
Shelby County TN Schools	109,489	174	1,269,736	952,036,999	0.00133	0.84	0.07	8.00
Atlanta	50,754	100	745,814	685,572,471	0.00109	0.88	0.12	6.00
Baltimore City Maryland	79,503	186	613,914	1,200,901,681	0.00051	0.67	0.10	8.00
Average for Selected Districts	229,125	325	1,372,629	2,208,862,352	0.00075	0.624	0.091	11.47
San Diego Unified	131,252	226	830,281	1,327,980,918	0.00063	0.38	0.04	5.00
Source: District Auditor, Seattle Public Schools								

Questions