

INTERNAL AUDIT ANNUAL REPORT

FISCAL YEAR 2022–2023 | Ronald Blocker Educational Leadership Center





OCPS Vision

To ensure every student
has a promising and
successful future

OCPS Mission

With the support of families
and the community, we
create enriching and diverse
pathways that lead our
students to success

Transmittal Letter.....	4
About Internal Audit.....	6
Quality Focus.....	10
Organization Chart.....	12
Audit Advisory Committee.....	13
Audit Advisory Committee Charter.....	15
Internal Audit Team.....	18
Internal Audit Department Charter.....	22
District Financial Trends.....	24
Entity-wide Risk Assessment and Audit Plan....	25
Internal Audit Project Summaries.....	26
Other Internal Audit Department Activities....	38
Peer Review Report.....	39



TRANSMITTAL LETTER

To: Members of the Orange County School Board
Members of the Audit Advisory Committee

From: Linda J. Lindsey, CPA, CGAP
School Board Internal Auditor

Date: August 14, 2023

The Orange County School Board, its superintendent, and senior management rely on a robust internal audit function for keen insight and objective evaluations. The district's many stakeholders – families, business leaders, taxpayers, and legislators – rely on us for assurance regarding the effectiveness of the district's internal controls and risk management.

In response, we deliver value and promote accountability and transparency through well-executed assurance services (audits), forward-thinking assessments, sensitive investigations,

insightful data analytics, and responsiveness to School Board and management requests. In the past year, our team provided the School Board and the public with useful, objective information in the completion of 15 performance audits, 11 construction project audits, one strategic assessment, two special reviews, three investigations, and a number of other audit-related activities. Additionally, we completed a successful Internal Quality Self-Assessment. A complete summary of our work appears later in this report.

NEW AND CONTINUING INITIATIVES

COVID-19 Funding – The district has received grants totaling hundreds of millions of dollars for various impacts of the virus. Some of these grants have already closed, others are ongoing. Expectations are high regarding outcomes from the use of these funds: to reopen schools safely, sustain their safe operation, and address students' social, emotional, mental health, and academic needs resulting from the pandemic. Recognizing the risks associated with this magnitude of funding and the expectations

of accountability and transparency from our stakeholders, we devoted significant resources to audits of these grants. Given the current program monitoring of ESSER III by the State, we have reduced our work in this area in the coming year.

Internal Controls and Fraud Awareness – To highlight management's role in safeguarding district assets and managing risks, we promote the district's internal control program. We

devote a page of our internet site and have developed training materials describing the district's internal control program and every employee's role in ensuring its success. We present the training to new managers, new and future principals, executive management, and managers enrolled in the district's Management Leadership Academy. During these sessions, we discuss fraud awareness and how to report concerns.

Data Analytics – Data analytics are used in almost all our audit engagements. This year we extracted data from the student information system and analyzed records of student discipline across various demographic groups

of students. We use data analytics to compare employee records to vendor records and to look for duplicate payments, and unusual purchasing patterns, among others.

Risk Assessment – Orange County Public Schools continues to demonstrate leadership with its risk assessment process. Risk registers are prepared and referenced by the Superintendent and her cabinet throughout the year as risk treatment plans are implemented. Internal Audit considers these, along with other factors, during its audit risk assessment process which is compliant with Florida Statutes.

INTERNAL AUDIT: AN EXCELLENT INVESTMENT!

In addition to strengthening the District's internal control environment, Internal Audit identifies monetary recoveries and cost savings while reducing various types of risks and acting as a fraud deterrent. For example:

More than \$158 million of school construction costs were audited in the past fiscal year.

Project costs were reduced more than \$189,000 as a result – almost \$100,000 more than the cost of the audits – an excellent return on our investment!

CONCLUSION

I would like to thank the School Board of Orange County and its Audit Advisory Committee for their leadership and support. I would also like to commend the Superintendent and her leadership team for

setting a strong and positive “tone at the top” and embracing the audit process. Together we are making a difference! The Internal Audit Department is proud to play a leading role in helping OCPS achieve its mission.



ABOUT INTERNAL AUDIT

OUR ROLE

The Internal Audit Department provides independent, objective assurance and consulting services designed to add value and enhance the district's performance, accountability, and transparency. The department helps the district achieve its objectives by systematically evaluating and improving the effectiveness of risk management, control, and governance and by recommending best practices.

WHAT WE DO

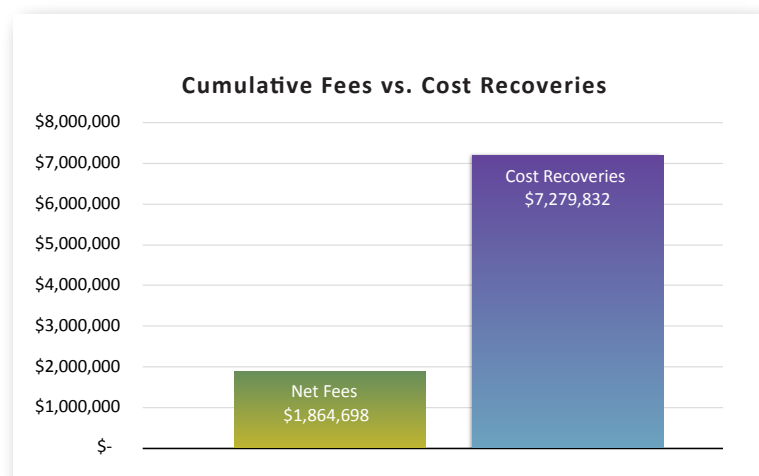
- Provide objective information and assurance
- Promote strong internal controls and fraud awareness
- Make impactful recommendations
- Support the COVE committee in its oversight of the capital program

HOW WE DO IT

- Conduct performance audits
- Verify construction project costs
- Facilitate management's annual entity-wide risk assessment
- Analyze data
- Audit schools' internal accounts
- Follow audit recommendations to resolution by management
- Perform strategic assessments
- Train new and current managers, principals, assistant principals, and future principals

OUR VALUE

Since its inception, our construction audit program has recovered almost \$7.3 million for the district's school construction program. The recovered costs are almost four times of the cost of the audits – an excellent return on our investment!



HOW WE MEASURE UP

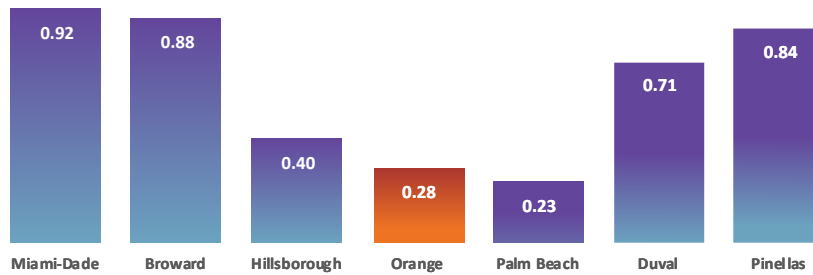
We have compared ourselves to other large Florida school districts.

The following charts show:

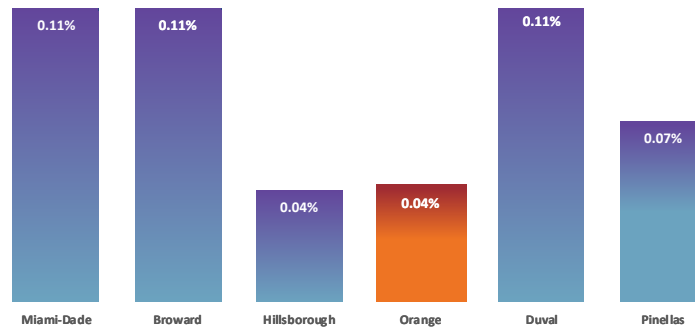
- how many auditors we have for each \$100 million of general fund budget,
- the general fund investment in internal audit, and
- the ratio of internal audit department employees to district employees.

These charts clearly show that OCPS gets a big return on its modest investment in internal audit.

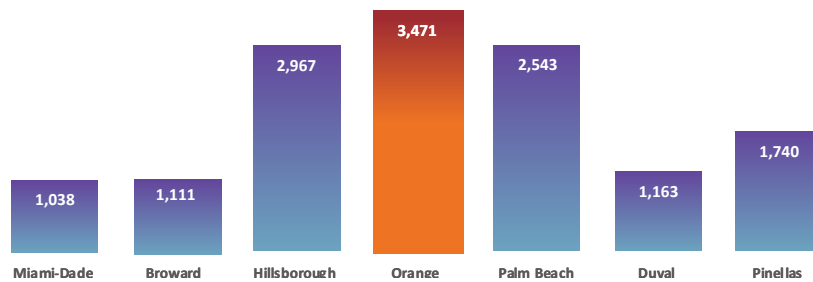
Number of Auditors Per \$100 Million of General Fund Budget



Audit Budget as a Percentage of District Budget



Number of District Employees For Each Auditor



INTERNAL AUDIT RESULTS AT A GLANCE

Results and Observations	Risk / Impact Rating			Totals
	Significant	Moderate	Minor	
Source IA - Internal Audit or M - Management	IA-10 M-2	IA-11 M-1	IA-3 M-1	IA-45 M-4
Observation Category O - Opportunity or D - Deficiency	O-1 D-11	O-6 D-27	O-1 D-3	O-8 D-41
Commendations		2		
Financial Impact		\$2,158,104		

The Results at a Glance chart reflects only work performed by the Internal Audit Team. It does not include outsourced or co-sourced work.

WE RATE RISK/IMPACT AS MINOR, MODERATE, OR SIGNIFICANT, BASED ON THE FOLLOWING CRITERIA:

Minor - Low risk with a financial impact of less than one percent and/or an isolated occurrence limited to local processes (low impact and low likelihood)

Moderate - Slight to moderate risk with a financial impact between one and five percent and/or a noticeable issue that may extend beyond local processes (low impact and high likelihood or high impact and low likelihood)

Significant - High risk with a financial impact greater than five percent and/or a significant issue that occurs in multiple processes and/or noncompliance with Florida Statutes or School Board Policies (high impact and high likelihood)

WE CATEGORIZE OBSERVATIONS AS OPPORTUNITIES OR DEFICIENCIES BASED ON THESE DEFINITIONS:

Opportunity - A process that falls short of best practices or does not result in optimal productivity or efficient use of resources

Deficiency - A shortcoming in controls or processes that reduces the likelihood of achieving goals related to operations, reporting, and compliance

PERFORMANCE COUNTS!

CLIENT SATISFACTION

We routinely solicit feedback from audit clients to help us evaluate our customer service and the value our work brings to the district. Quotes from this feedback have included:



"The value of this to our department audit was very insightful and appreciated. It will be shared with staff and used as we move forward to plan for the future."

"The areas identified in the audit will help improve our overall operations."

"Data accuracy will be improved as a result of this audit."

"Thank you for an excellent audit and great professionalism."

"You have such an incredible way of presenting information that makes it seem so sensible and clear."



MANAGEMENT SATISFACTION

Members of the Audit Advisory Committee and executive management offered the following comments when asked about our internal audit activity:



"I believe ... the internal audit function of the district protects taxpayer assets and builds on the public's trust."

"A strength is their knowledge looking for risks and thoroughly assessing them for improvement opportunities."

"Team is transparent, communicates timelines and keeps management abreast of progress and findings. Available and willing to assist whenever needed."

"Enterprise Risk Management Process is strong—and management is actively involved in the process. This should definitely continue—and continue to assess against IA's annual risk assessment. Continue to keep internal audit staff involved in the process."

"Within my division, the Internal Audit Department has played a significant role in helping us identify risks and ways to control them."

"I've always appreciated their "positive" approach in performing audit exercises, and how the purpose of the audits is to assist in identifying where better oversight or refined procedures may be required."

"They take the time to understand our processes by conducting extensive research. Great data collection and analytics. All recommendations are done by utilizing well applied decision making strategies."





QUALITY FOCUS

Internal Audit provides high-quality deliverables to its stakeholders - the School Board, the public, and district management.

PROFESSIONAL STANDARDS

We conform to the ***International Standards for the Professional Practice of Internal Auditing (the Standards)***, issued by the Institute of Internal Auditors. The *Standards* provide a

framework for performing high-quality audit work with competence, integrity, objectivity, and independence.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

To maintain and improve its quality, the department's quality assurance and improvement program includes external peer reviews, periodic internal self-assessments, and ongoing monitoring.

In accordance with the *Standards*, the department obtains an independent external peer review at least once every five years. Our most recent Peer Review was conducted in 2021, and a copy of the report is at the back of this report.

We also perform periodic internal self-assessments to evaluate our conformance with the *Standards*, including the Definition

of Internal Auditing and the Code of Ethics promulgated by the Institute of Internal Auditors. Internal self-assessments include procedures to verify compliance with our internal policies and procedures. We conducted an internal self-assessment in the winter of 2023 and will schedule the next one in the winter of 2025. Internal self-assessment reports are reviewed with the Audit Advisory Committee and provided to the School Board.

Ongoing monitoring is an integral part of the day-to-day supervision, review, and measurement of our work and is imbedded in our internal policies and procedures.

INDEPENDENCE

Because we audit operations of Orange County Public Schools, our auditors must be independent of the activities they audit so they can perform their work freely and objectively. The School Board Internal Auditor, who functions as the School Board's Chief Audit Executive, reports to the School Board

through its Audit Advisory Committee. This reporting structure meets Florida Statutes and provides the independence necessary for objective appraisals of district operations. At no time during this past fiscal year was the department's independence compromised.

CREDENTIALS FOR A STRONG INTERNAL AUDIT FUNCTION

Collectively, the Internal Audit team has decades of district experience! And they have pursued excellence by earning advanced education and professional certifications including two Certified Public Accountants (CPAs), four Certified Internal Auditors (CIAs),

a Certificate in Risk Management Assurance, a Certified Information Systems Auditor (CISA), and a Certified Government Auditing Professional (CGAP). These achievements reflect a highly qualified audit team committed to excellence.

PROFESSIONAL ASSOCIATIONS

The department is a member of the Institute of Internal Auditors and the Association of Local Government Auditors. Our Information Technology Auditor is a member of ISACA (previously known as the Information Systems Audit and Control Association).

The Institute of Internal Auditors (IIA) is an international professional association. It is the internal audit profession's global voice, recognized authority, acknowledged leader, chief advocate, and principal educator. Its members work in internal auditing, risk management, governance, internal control, information technology audit, education, and security.

The Association of Local Government Auditors (ALGA) is a professional organization that empowers its local government auditing

community through excellence in advocacy, education, communication, and collaboration to protect and enhance the public good while embracing diversity, equity, and inclusiveness. ALGA recognizes excellence in performance auditing in its *Knighton Awards* program. Our department participates in the *Knighton Awards* program by submitting a report for judging each year. In 2018 our audit titled, *Accounts Payable Access to Vendor Master File*, won the *Knighton Award* for the most Exemplary performance audit in the nation that year for audit shops of our size.

ISACA is an independent, nonprofit, global association, engaging in the development, adoption, and use of globally accepted, industry-leading knowledge and practices for information systems.

ORANGE COUNTY SCHOOL BOARD



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Vice Chair | District 1



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Vicki-Elaine Felder
District 5



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District 6



Melissa Byrd
District 7

Audit Advisory Committee

Internal Audit Department

AUDIT ADVISORY COMMITTEE

The School Board-appointed Audit Advisory Committee, who are auditing and business professionals, is an important link between the School Board and the District's auditors, both internal and external. The Audit Advisory Committee's primary function is to act as the School Board's designee in fulfilling its oversight responsibilities. The Committee accomplishes this by reviewing the District's financial information, recommending the appointment of and overseeing

external auditors, evaluating the risk assessment and audit planning processes, and overseeing the Internal Audit Department's operations including an annual evaluation of the performance of the School Board Internal Auditor. The committee has five members who serve staggered three-year terms, as well as the School Board Chairman and School Board General Counsel who serve in an ex-officio capacity.



Debi Roth, Chairman

Debi Roth is a strategy consultant for development of education programs for associations. Previously, Roth served as Director – Product Development with The IIA and was responsible for developing conference programs delivered in a Hybrid environment. During her 11 years with The IIA, Roth served in several roles including Training and Development curriculum team in the development of IIA Seminars, eLearning, and OnDemand platforms. She has more than 15 years of professional internal audit and tax experience in various industries: health care, transportation, manufacturing, and banking. As an active IIA member, Roth served on the board and is past president of The IIA's Central Florida Chapter and The IIA's Northwest Ohio Chapter. Roth is a Certified Internal Auditor and a Certified Public Accountant.



Dan Williams, Member

Dan Williams is retired from Darden Restaurants, Inc. where he was Senior Vice President of Internal Audit for eight years. Darden owns and operates eight brands in more than 1,850 restaurants. Williams was responsible for providing independent assurance that Darden's risk management, governance, and internal control processes operated effectively. He had extensive experience during his 23-year career at Darden including roles in the operations finance, corporate finance, and accounting functions. Before joining Darden, Williams gained financial experience as a controller for a publicly traded broker-dealer and as a public accountant with KPMG, LLP. He has a Bachelor of Science degree from the State University of New York and an MBA from Stetson University.



Brian Paulsen, Member

Brian Paulsen is the Director, Disney Cruise Line Finance & Planning where he is responsible for leading a fast-paced and collaborative team responsible for all aspects of the financial planning and analysis of their cruise business. Prior to his current role, Paulsen held various leadership positions in the Controllershship and Finance Organizations at Walt Disney Parks & Resorts where he has worked for 20 years based in Orlando, Florida. Paulsen began his career on the audit staff at Arthur Andersen & Co where he progressed to the position of Senior Assurance Manager. He holds MBA and Bachelor of Accounting degrees from the University of Florida and a Master of Accounting from Florida International University. Paulsen is a Certified Public Accountant.



Kay Redlich, Member

Kay Redlich is Chief Technology Officer at CNL Financial Group. She leads the technology and strategic systems teams responsible for driving improved efficiencies and synergies across the organization with the use of technology. Prior to her current position she served in positions involving funds management, operations, technology, finance, and analysis. Redlich has a Bachelor of Accounting from Universidad de Monterrey and an MBA from the University of Central Florida.



Tammy Campbell, Member

Tammy Campbell is a Partner at McDirmit Davis, LLC. Campbell is responsible for overseeing and managing the firm's governmental audit services for various municipalities and special districts. Prior to her current position, she served in various roles within the firm's governmental audit department and has spent most of her career working with governmental and not-for-profit entities. Campbell has a Bachelor of Science in Business Administration and a Master of Science in Taxation from the University of Central Florida. She is also a Certified Public Accountant.

I. Authority:

Pursuant to Orange County School Board Resolution 11-11.4, dated July 29, 2003 and Sections 218.391 and 1001.42(12)(l), Florida Statutes, there is hereby created an Audit Advisory Committee (hereinafter referred to as the “AAC” or “Committee”). The Resolution states that the AAC is created to provide, “outside advice and comment from audit professionals outside the organization.”

II. Purpose:

The purpose of the AAC is to assist the School Board through its Internal Audit Department in assuring the department supports the Board in fulfilling its oversight responsibilities for:

- The integrity of the district's financial statements,
- The independent auditor's qualifications and independence,
- The performance of the district's internal audit function and independent auditors and,
- The effectiveness of the district's internal control system and annual risk assessment.

III. Composition, Qualifications, and Quorum:

The AAC shall consist of a minimum of three (3) members and no more than five (5) members as appointed by the Orange County School Board. The appointed members must be independent and collectively possess audit, financial and IT expertise. Members shall be appointed for three (3) year terms and will be eligible to serve a maximum of three (3) three (3) year terms. Any appointments to an initial term of less than three (3) years shall not count towards the member's term limits.

Quorum shall be met when a majority of the current AAC members are physically present. An AAC member may be considered in attendance if attending by telephone or other means of communication, including electronic or other such technology, and may vote on agenda items so long as the member may be able to listen to and contribute to the discussion of any item being voted upon. Such participation will not count towards the physical quorum requirement. The AAC will follow any local or state orders relating to quorum requirements.

The AAC shall also include, as non-voting, ex-officio members, the Orange County School Board Chair and the General Counsel for the Orange County School Board. Neither ex-officio member shall count towards quorum requirements.

AUDIT ADVISORY COMMITTEE CHARTER

IV. Conflicts of Interest:

The appointed members of the AAC and their employers shall abstain from the procurement process for the sale of services or products to OCPS during the term of their service on the AAC and for two (2) years from the date that their service has concluded. It is each AAC member's responsibility to disclose any conflict of interest or the appearance of a conflict of interest to the Committee and the Orange County School Board Internal Auditor. In addition to avoiding conflicts of interest, AAC members should also avoid even the appearance of a conflict. Any questions on whether AAC Committee members should recuse themselves from a vote should be directed to the General Counsel. Any portion or provisions of this paragraph that are deemed in conflict with Florida Law shall be considered null and void.

V. Elections for the Chair:

By no later than December 1, the AAC shall select its Chair, for the subsequent calendar year, from among its members at an annual evaluation meeting. The term for the Chair shall be for the calendar year but any member may serve in consecutive terms as Chair.

VI. Meetings and Notice Requirements:

The AAC will hold at least four (4) meetings per year, and as necessary. Written notice of all meetings, including special meetings, will be provided to all members via e-mail, U.S. Mail, or hand delivery. All meetings of the AAC shall be conducted in accordance with Florida's Government in the Sunshine. Sufficient staff to prepare and maintain the minutes shall be provided by the Orange County School Board to comply with the requirements of the Government in the Sunshine. An agenda should be prepared and circulated to all AAC members in advance of the meeting. The absence of an agenda shall not prohibit the AAC from gathering and conducting business if a quorum is physically present.

VII. Duties and Responsibilities:

1. The AAC members shall be responsible for:
Reviewing the plans, activities, staffing, organizational structure, and charter of the internal audit department of the School Board with the Orange County School Board's Internal Auditor.
2. Approving the annual audit plan and revisions to the charter of the internal audit department and submitting both to the School Board for approval.
3. Reviewing and recommending auditing issues and audit processes to the School Board's Internal Auditor, Internal Audit Department and the School Board.
4. Ensuring that there are no restrictions or limitations on the internal audit function and review consistent with Section 1001.42(12)(l)3, Florida Statutes.

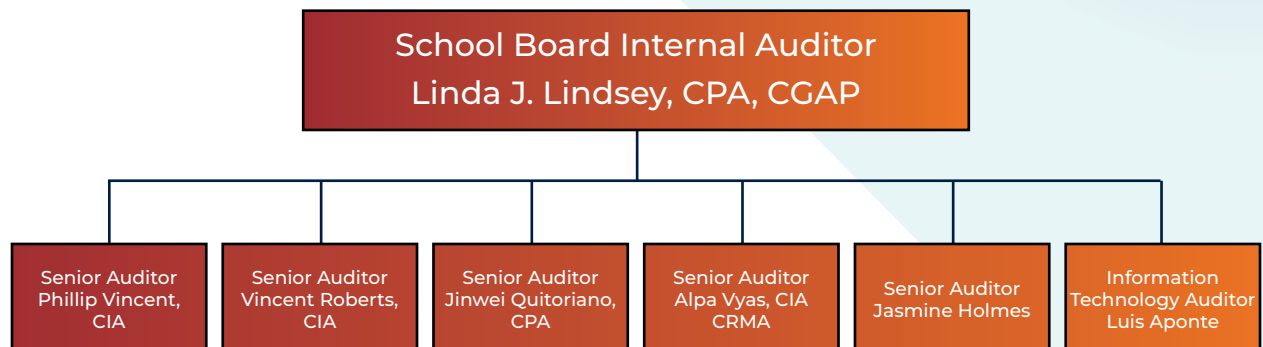
5. Providing input and recommendations to the School Board in the performance, appointment, replacement, or dismissal of the School Board Internal Auditor, including participation by designated AAC members in any interviews or selection process.
6. Reviewing the effectiveness of the internal and external audit functions including conformance with the IIA's International Standards for the Professional Practice of Internal Auditing.
7. Appointing two (2) of its members to serve, along with a member of the School Board selected by that body, as the auditor selection committee in accordance with Section 218.391, Florida Statutes.
8. Serving as the selection committee for any other audits that are outsourced by the School Board.
9. Reporting, at least annually, to the Orange County School Board on the AAC's activities and any issues that arise with the performance of the district's internal audit function.
10. Reviewing and assessing the district's major policies with respect to risk assessment and risk management and making recommendations to the School Board Internal Auditor and the School Board consistent with that review.
11. Evaluating the performance of the AAC and its individual members at least annually.
12. Reviewing and assessing the adequacy of the AAC charter annually and recommending proposed changes to the School Board for approval.
13. Confirming annually that all responsibilities outlined in this charter and Section 1001.42(12)(l), Florida Statutes, have been carried out.
14. Performing other activities related to this charter or as requested by the School Board.

Original approval: July 29, 2003

Revised: December 11, 2007, October 12, 2010, June 23, 2015, December 13, 2016, December 11, 2018, June 25, 2019, February 9, 2021



INTERNAL AUDIT TEAM



From the left: Phillip Vincent, Jinwei Quitoriano, Vincent Roberts, Linda J. Lindsey, Jasmine Holmes, Alpa Vyas, Luis Aponte

INTERNAL AUDIT DEPARTMENT

Our team of seven professionals possesses excellent analytical and communication skills, along with a deep knowledge of the district's functions. We share an unwavering focus on the importance of the services we provide to OCPS, its staff and students, our School Board, and our community.

Internal auditors must be independent and objective in performing their work. To ensure this,

we require all auditors to annually affirm their independence with regard to the department and the activities in the Annual Audit Plan. They must also sign a statement of independence at the beginning of each audit engagement. Auditors must agree to abide by the Code of Ethics of the Institute of Internal Auditors and report any real or perceived ethics or independence issues promptly.



Linda J. Lindsey, School Board Internal Auditor

Linda Lindsey is a CPA and a Certified Government Auditing Professional. She has a Bachelor of Science in Accounting from Florida Southern College and more than 40 years of auditing experience. She has been with the district since 2000 and previously served as Chief Financial Officer for the Greater Orlando Aviation Authority and worked in public accounting with Ernst & Young LLP. She is a member of the AICPA, FICPA, IIA, and ALGA. She also serves on the City of Winter Park's Utilities Advisory Board.



Vincent Roberts, Internal Audit Senior

Vince Roberts is a Certified Internal Auditor. He has a Bachelor in Business Administration degree from the University of Central Florida and more than 30 years of auditing experience. He is a member of the IIA and ALGA.



Jinwei Quitariano, Internal Audit Senior

Jinwei Quitariano is a Certified Internal Auditor who recently joined our team. She has eight years' internal audit experience in the health care industry and eight years' experience in financial reporting and fund accounting with a large investment firm. She is a member of the IIA and ALGA.



Alpa Vyas, Internal Audit Senior

Alpa Vyas is a Certified Internal Auditor and has a Certificate in Risk Management Assurance. She has an MBA from Sullivan University and a Bachelor's degree in Financial Accounting and Auditing from the University of Bombay, India. Ms. Vyas has more than 15 years audit experience. She is a member of the IIA and ALGA.



Luis Aponte Santiago, Information Technology Auditor

Luis Aponte Santiago has a Bachelor in Accounting from the Inter-American University of Puerto Rico. He has been with the district for 4 ½ years. Prior to working for Orange County Public Schools as an Information Technology Auditor, Mr. Aponte Santiago worked for eight years with the Office of the Comptroller of Puerto Rico in the same role. He is a member of the IIA, ALGA, InfraGard, and ISACA.



Phillip Vincent, Internal Audit Senior

Phillip Vincent is a Certified Internal Auditor. He has a Bachelor of Science in Finance from the Wharton School. Prior to joining us in 2022, he worked as an internal auditor for the Osceola County Clerk of the Courts and for the City of Ocala. He has more than nine years of audit experience. He is a member of the IIA, ALGA and the Association of Certified Fraud Examiners.



Jasmine Holmes, Internal Audit Senior

Jasmine Holmes has been with our team a little over a year, having joined us from the State of Mississippi where she worked for more than six years as an auditor – four with the Division of Medicaid and two with the Department of Revenue. She is a candidate to become a CPA and is a member of the IIA and ALGA.

In accordance with departmental policy, each member of the department completes at least 40 hours of continuing education annually. Members with professional certifications also obtain the continuing professional education credits required to maintain their certifications.

INTERNAL AUDIT DEPARTMENT CHARTER

The Internal Audit Department's role is to provide independent, objective assurance and consulting services designed to add value and improve the district's operations. It helps the district achieve its objectives by systematically evaluating and improving the effectiveness of risk management, control and governance, and the implementation of best practices.

Scope of Work

Internal Audit's scope includes evaluating the district's internal control systems and its progress on achieving stated goals and objectives, suggesting improvements, and reporting to the School Board and other functions as indicated in F.S. 1001.42(12)(l). It involves helping to:

- Assess the district's risk management, governance, and internal control systems and provide an overview of the effectiveness of the internal control system;
- Assess issues or concerns and, at School Board or management request, review specific matters;
- Review existing operations or programs to determine if results are consistent with those expected;
- Review development of new systems to determine if progress, results,

and testing are consistent with established goals and objectives;

- Perform value-added process analyses and provide advice to management;
- Systematically evaluate the district's efficiency and effectiveness; and,
- Coordinate the work of outside auditing firms.

The internal audit department may perform advisory and related client service activities, the nature and scope of which will be agreed upon with the client, provided the internal audit department does not assume management responsibilities.

Opportunities for improving management control, utilization of funds, and the district's image may be identified during audits. These will be communicated to the appropriate level of management.

Professional Standards and Practices

The Internal Audit Department staff will adhere to The Institute of Internal Auditors' mandatory guidance, which includes the Definition of Internal Auditing, the Core Principles, the Code of Ethics, and the *International Standards for*

the Professional Practice of Internal Auditing (Standards), district policies, and applicable Florida Statutes. The department diligently maintains independence in appearance and fact.

Authority

In accordance with F.S. 1001.42(12)(l); the School Board Internal Auditor and the staff of the Internal Audit Department are authorized to:

- Have unrestricted access to all functions, records, property, and personnel;
- Allocate resources, set frequencies, select subjects, determine scopes of work,

and apply the techniques required to accomplish audit objectives; and,

- Obtain the necessary assistance of personnel in units of the district where they perform audits, as well as other specialized services from within or outside the district.

The School Board Internal Auditor and the staff of the Internal Audit Department are not authorized to:

- Perform any operational duties for the district or the schools;
- Initiate or approve accounting transactions external to the operations of the

Internal Audit Department; and,

- Direct the activities of any district employee not employed by the Internal Audit Department, except to the extent such employees have been appropriately assigned to audit teams or to otherwise assist the internal auditors.

Responsibility

The School Board Internal Auditor and the staff of the Internal Audit Department have the responsibility to:

- Develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Audit Advisory Committee and the School Board for review and approval;
- Implement the annual audit plan, as submitted, including as appropriate any special tasks or projects requested by management, the Audit Advisory Committee or the School Board;
- Issue a written report after each engagement for distribution to members of the School Board, Superintendent, district management and other appropriate parties.
- Verify that management's responses and actions are effective in addressing audit findings.

- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter;
- Issue reports to the School Board and management summarizing the results of audit activities;
- Maintain, evaluate and communicate the results of a quality assurance and improvement program that covers the operations of the Internal Audit Department;
- Answer the Fraud Hotline and assist in the investigation of suspected fraudulent activities within the district and notify management and the Audit Advisory Committee and the School Board of the results; and,
- Consider the scope of work of external auditing firms and the Auditor General, as appropriate, for the purpose of providing optimal audit coverage to the district at a reasonable overall cost.

Reporting Relationships

The School Board Internal Auditor reports to the School Board of Orange County through its Audit Advisory Committee. The School Board Internal Auditor reports administratively to the District General Counsel for routine administrative

matters. The School Board Internal Auditor's annual performance evaluation is prepared by the Audit Advisory Committee and signed by both the Chair of the Committee and the District General Counsel.

Originally adopted by School Board: July 29, 2003
Most recent revision approved: January 12, 2021

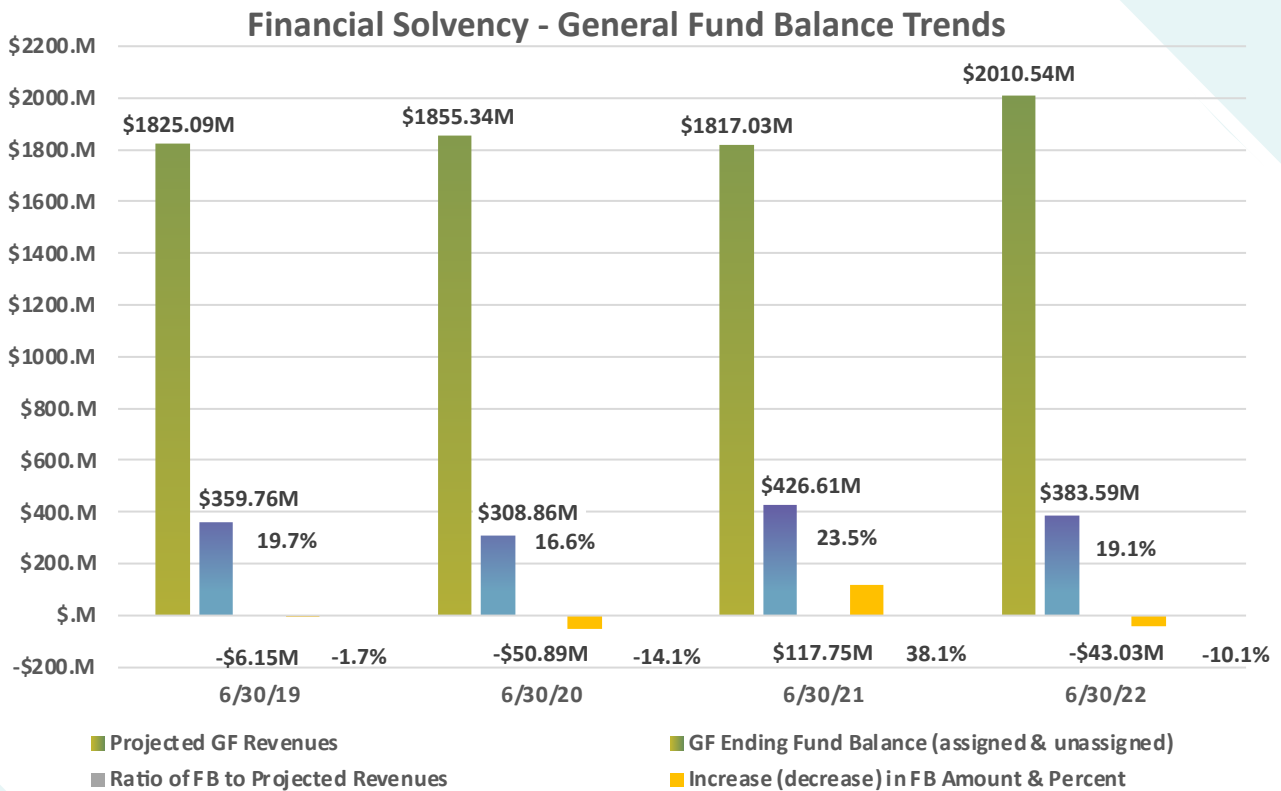
DISTRICT FINANCIAL TRENDS

Florida Statute 1001.42(12)(l), requires school district internal auditors to include certain financial matters related to financial solvency and the rate of change in the general fund balance in the scope of their work.

To satisfy this requirement, we prepared the following analyses, presented in chart format.

The chart shows the assigned and unassigned portions of the general fund balance as of June 30 for the past four years as compared to the previous year and as compared to projected revenues in the succeeding year.

Over the past year, the ratio of general fund balance to projected revenues has decreased 4.4 percentage points (\$43 million) to 19.1%, from 23.5%. Over the past four years, the general fund balance has increased \$17.7 million - a 4.8% increase. However, when expressed as a percentage of projected revenues, the general fund balance has decreased over these same four years, from 21.1% at June 30, 2018, to 19.1% at June 30, 2022.

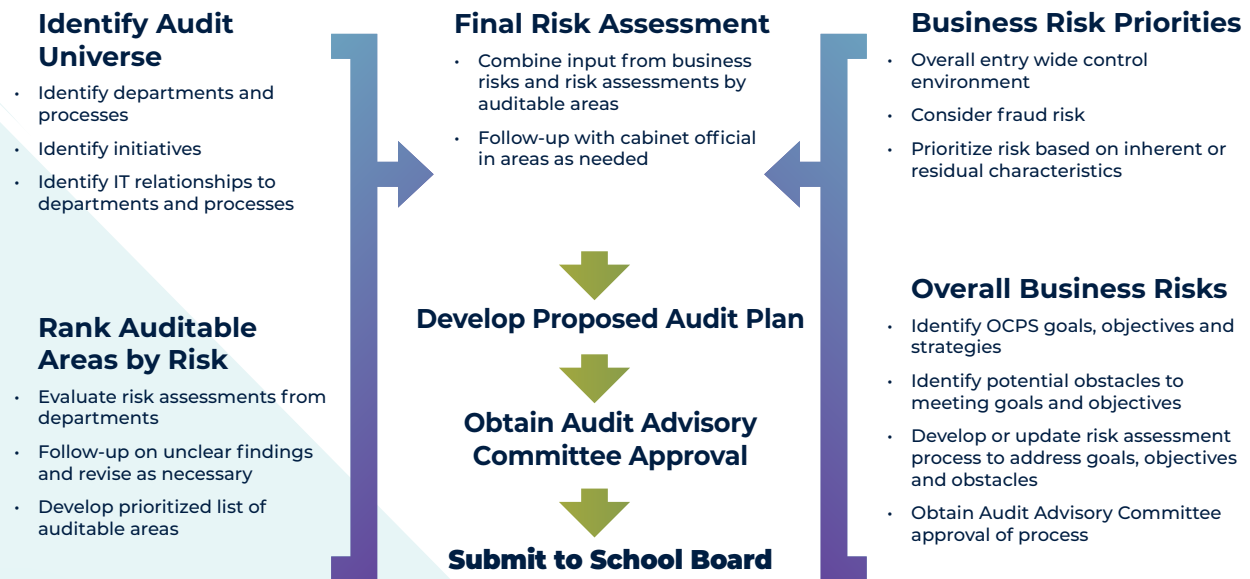


ENTERPRISE RISK ASSESSMENT AND AUDIT PLAN

The Internal Audit Department facilitates management's annual enterprise risk assessment. The risk assessment process is approved by the Audit Advisory Committee and involves input from all operational areas of the district via an ERM toolkit featuring self-assessments. Responses from the departments are compiled and evaluated by the Superintendent, her Executive Cabinet, and the Internal Audit team with revisions as necessary to develop a final enterprise risk register. The enterprise risk register is considered, along with other factors, in the audit risk assessment which is used in developing an annual audit plan. The audit plan is reviewed and approved by the Audit Advisory Committee and the School Board.

The effort put into the enterprise risk assessment process by district management produces a sound analysis and helps focus limited resources effectively. Management's diligence in considering district and departmental goals, identifying control objectives needed to help achieve those goals, and evaluating the effectiveness of those controls also provides meaningful input to the audit planning process.

Internal Audit Risk Assessment Process



We focus our efforts on higher risk areas as identified in the audit risk assessment process described above. This results in an audit plan that addresses priority risks while maximizing coverage within available resources.

INTERNAL AUDIT PROJECT SUMMARIES

These are summaries of our work this year. The full reports and management responses are available on our department's website at https://www.ocps.net/departments/internal_audit/reports.

GEER Rapid Credentialing Grant

As part of our ongoing audits of COVID-19 related grants, the Internal Audit Department audited the GEER Rapid Credentialing Grant awarded to the CTE department. This grant was to assist postsecondary technical centers in enrolling and completing students in short-term, in-demand workforce career and technical education credentialing and certificate programs during the pandemic.

The department received \$999,512 from this grant and used it for tuition, fees, and supplies for students and to acquire equipment needed in the programs. 530 students enrolled in the targeted certificate programs with 154 earning

at least one program certificate. These Students earned a total of 498 certificates as of January 25, 2022.

We concluded grant funds were spent in accordance with the grant requirements, but we also noted that some equipment purchased with grant funds could not be located and the final report submitted to the state incorrectly reported 375 students earning at least one certificate – an overstatement of more than 100%. We made recommendations, with which management agreed, for improvements to address these matters.

Skyward Interfaces – Policies & Procedures

The Internal Audit Department is auditing Skyward interfaces. The objective of this audit is to evaluate the effectiveness of the district's security for Skyward interfaces and related data. This audit was part of the 2021-2022 annual audit plan based on our assessment of risks associated with this function. The audit is being conducted in three phases:

- Policies and Procedures
- Access and Security (logical and physical)
- Types, Completeness, Accuracy and Control of Interfaces

This report covered the first of the three phases – policies and procedures.

Our overall conclusion for this phase is that the district has policies in place that establish how interfaces or data transmissions are to be performed and they have specific procedures in place to perform interfaces for the Skyward system. Policies and procedures are available to appropriate personnel through the SIS & Projects Department network folders. Effectiveness of the policies and procedures will be evaluated in the third phase of this audit.

Skyward Interfaces – Access & Security

The Internal Audit Department is auditing Skyward interfaces. The objective of this audit is to evaluate the effectiveness of the district's security for Skyward interfaces and related data. This audit is being conducted in three phases:

- Policies and Procedures
- Access and Security (logical and physical)
- Types, Completeness, Accuracy and Control of Interfaces

This report covered the second of the three phases – access and security.

Our overall conclusion is that the SIS & Projects department has documented and implemented effective logical and physical accesses for the Skyward system and the folders and modules

where critical data is located. Also, they have documented effective physical security measures for the hardware that houses critical data for Skyward.

As for the logical security of the Skyward system, they also have documented measures in place and operating effectively. However, we recommended the district implement due diligence procedures to obtain and evaluate information from prospective third-party vendors before entering into contractual relationships with those vendors. This will help reduce risks associated with third-party relationships. Management has declined to implement our recommendation, stating they believe the risks associated with the current process are tolerable.

Document Management

The Internal Audit Department conducted a performance audit of the district's document management function. The document management function is largely managed by the Document Management Department which is part of the Operations Division. The department's Senior Manager is the district's designated Records Management Liaison Officer (RMLO) and is responsible for certifying to the State of Florida that the district complies with Florida public records statutes. In this audit we evaluated the efficiency and effectiveness of operations as well as compliance with School Board Policies, Florida Statutes and Florida Archives Library rules.

We commended the department for tracking its performance in an open and transparent fashion,

using various metrics posted in its offices. We concluded the department is operating with efficiency and effectiveness, but noted opportunities for improvement and/or reduction of risk and made five recommendations, two of which are described in the next paragraphs.

Certain aspects of School Board Policy EH, Forms Approval Process, are not currently being followed. We suggested the department pursue revisions to the policy if these provisions are no longer needed.

We also noted several satellite records systems maintained by departments other than the Document Management Department. Having document retention, storage, archiving and destruction handled outside the oversight of





the district's Records Management Liaison Officer creates a risk that public records statutes might not be met. This condition also creates challenges when responding to public records requests because each outside document system uses its own naming

conventions and filing systems. We recommend the RMLO be involved, at a minimum, during the requirements definition phase of new document systems and that the RMLO provide collaborative support to help ensure statutory requirements are met.

GEER Infrastructure Grant

As part of our ongoing audits of COVID-19 related grants, the Internal Audit Department audited the GEER Infrastructure Grant awarded to the CTE department. This grant provided resources for school districts to build infrastructure and increase enrollment and capacity in high-demand career and technical education (CTE) programs.

The department received \$421,550 from this grant and expended \$420,798 on technology (equipment and peripherals) and instructional supplies. Specifically, the funds helped accomplish the following:

- Convert a non-CTE school television studio to a Digital Video Technology instructional lab at Apopka High School
- Purchase industry standard equipment

at Timber Creek High School

- Increase industry certification opportunities for 1,495 students
- Purchase curriculum, licensing and practice tests for specific programs (Digital Information Technology, Business Center and Health Center)

We concluded grant funds were spent in accordance with the grant requirements, but we also noted that the department did not meet two assurances of the grant related to consultation with non-public schools. We also noted that equipment costing \$2,068, purchased with grant funds, could not be located. We made recommendations, with which management agreed, for improvements to address these and a couple of other matters.

Student Discipline

The objective of this audit was to determine whether student discipline activities follow district policies and procedures as well as State statutes and evaluate consistency of practice and equitable application of discipline.

Our overall conclusion is that student discipline activities are following district policies and procedures. We noted consistency of practice and treatment in a statistical sample of 106 student discipline cases we tested, where documentation was available. However, we

noted several areas of significant risk as well as opportunities for Student Discipline to improve oversight and monitoring.

For the period we reviewed (July 1, 2018-June 30, 2021) we noted:

- district staff were not monitoring student discipline data and do not have effective controls in place to ensure reliability of data
- more than 21,000 incident numbers were missing from the records and management

is not managing or monitoring changes/deletions of discipline records, creating a risk of unauthorized changes/deletions

- too many persons have access to add/change/delete discipline records
- 340 Unsubstantiated and five Hope scholarship student discipline

records incorrectly referenced the student name and number

- A significant amount of student discipline documentation could not be located

We made five recommendations, with which management agreed.

AED Inspection & Maintenance Program

The Internal Audit Department audited the district's AED Inspection and Maintenance Program. Prior to 2021, each school and administrative site purchased and maintained their own AEDs with limited guidance from the district. High school AEDs were managed by those schools' athletic directors, but no one was managing, monitoring and assisting other schools or district facilities with AED-related activities.

We commend the Office of Safety for recognizing this arrangement created a gap in effective management of this important life safety function and, with approval of the Superintendent and Cabinet, developing and implementing an initiative to oversee AED activities in a two-phase program. Phase 1, begun in FY 2021, involved inventorying and assessing AEDs located at schools. Phase 2, begun in the current fiscal year, includes

trainings, mock drills, AEDs at administrative sites and more.

Our overall conclusion is that within the limits of their responsibility, the Office of Safety has initiated and effectively manages AED compliance at schools and tracks monthly inspection of AEDs by school personnel. However, it does not have enforcement authority over schools' AED activities. Responsibility without authority is an ineffective management model and not best practice.

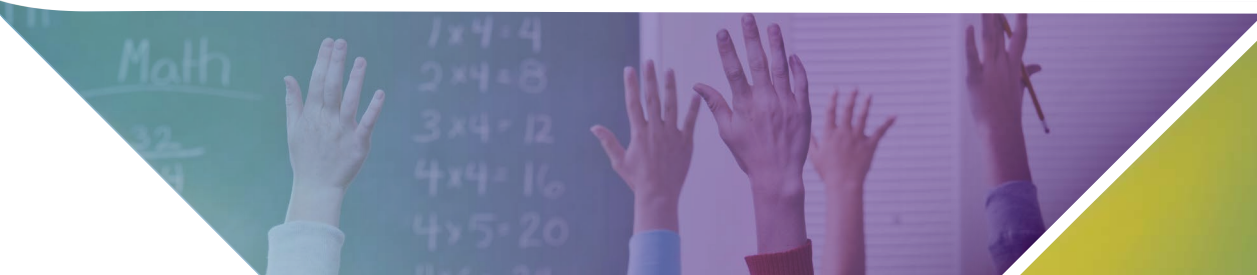
Additionally, we noted high school AEDs are not registered with local medical agencies as required by Section 1006.165, Florida Statutes, and we noted four areas where procedures and training should be improved as well as a suggestion for the Office of Safety as it moves into Phase 2 of the AED Program.

GEER K-12 Civic Literacy Booklist Grant

As part of our ongoing audits of COVID-19 related grants, the Internal Audit Department audited the GEER K-12 Civic Literacy Booklist Grant. This grant provided \$257,832 to purchase civic-oriented books for all grades in district regular

and charter schools and in non-public schools. The grant period was July 1, 2020 – June 30, 2022.

We concluded the funds were spent in accordance with the purpose of the grant and we made no recommendations in this audit.





GEER Prevention and Response Grant

We audited the GEER Prevention and Response Grant. This was one of the first COVID-19 relief grants under the CARES Act. Its objective was to provide funds for the cost of supplies for sanitation due to COVID-19, including, but not limited to, cleaning supplies, personal protection equipment (PPE), hand sanitizer, and face coverings.

The district was allocated \$1,933,704 in this grant and spent \$1,193,639 of that amount. A portion of the funding was allocated to charter and non-public schools. Charter and non-public schools spent \$10,901 of the \$373,980 they were allocated.

Our overall conclusion was that the GEER Prevention and Response grant funds were spent in accordance with the purpose of the grant. However, we noted that the person named as Grant Manager had no real authority over the majority of the grant funds, managing only the \$10,901 spent for charter and non-public schools. We also noted that the district's allocation of custodial costs related to the pandemic used incomplete data that resulted in an overallocation of \$110,558. This happened because the calculation was not reviewed and checked by someone independent of the preparer before it was posted. We made recommendations to address these findings to which management has responded.

Higher Education Emergency Relief Fund Grants

As part of our ongoing audits of COVID-19 related grants, the Internal Audit Department audited the HEERF Grant awarded to the CTE department. This grant provided \$7,579,030 of emergency funding to the CTE department as a higher education institution (institution portion) and \$4,613,461 of emergency financial aid grants direct to students (student portion). The grant period is May 21, 2020 – June 30, 2023 and our audit covered the period from May 21, 2020 through May 11, 2022.

We concluded the funds were spent in accordance with the purpose of the grant.

Student funds were disbursed directly to full and part-time students. Of the \$7,579,030 of institution funds, \$3,419,388 was used to cover tuition and fees on behalf of students or paid directly to students. The remaining institution funds were spent on payroll, technology, and custodial/cleaning.

We noted four areas where processes could be improved to better manage the grant and one item where budget deficits were not addressed in a timely manner. We made recommendations, with which management agreed, to address these matters.

Purchasing Cards

We audited the district's purchasing card (P-card) program. P-cards allow employees to make purchases directly from vendors,

without going through the traditional purchase requisition and purchase order process. This saves time for work location staff, Procurement

Services, and Accounts Payable and gets goods to work locations more quickly.

The district records about \$473,000 in P-card transactions each month. The average purchase transaction is about \$161. The district receives 0.55% cash back on P-card purchases which totaled \$230,531 for FYs 2021 and 2022.

P-card holders must be trained and sign a Purchasing Card Agreement. Supervisory review is the primary control over proper use of P-cards. Procurement Services oversees the P-card program and performs a second-level of control function.

We evaluated internal controls over the P-card program, including whether transactions were properly approved and for authorized purchases. Our conclusion is that the designed procedures for the P-card program are effective, but they are not followed consistently. Good controls without

good execution are not effective in reducing risk. We reported six specific areas needing improvement, with which management agreed.

The key findings were:

- Half of work location supervisors had not taken the training for their role as approvers of P-card transactions.
- Nine percent of card transactions had not been approved by the cardholders' supervisors.
- Ninety-nine purchase transactions totaling \$27,160, representing .15% of total P-card purchases should not have been made on a P-card.
- Six percent of P-card transactions had no receipt to support the purchase.
- Work locations do not always notify Procurement Services of cardholder terminations in a timely manner.

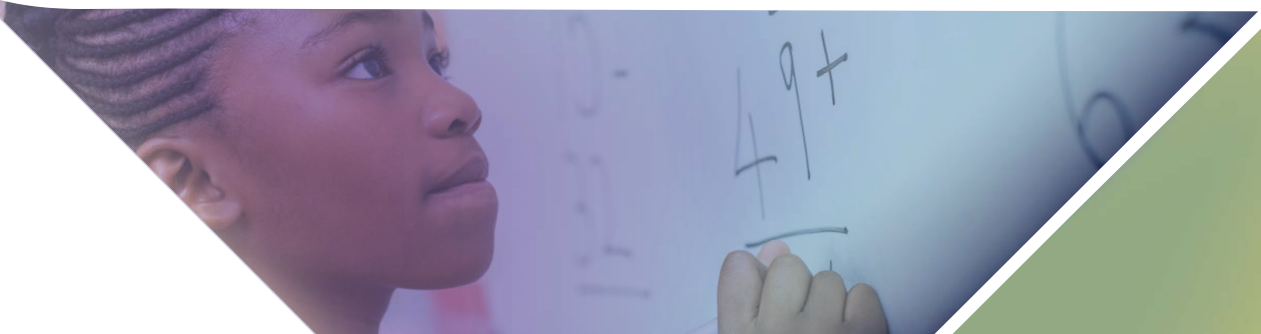
Student Directory Information

This audit focused on the district's compliance with policies and procedures as well as Florida Statutes regarding maintaining and sharing student directory information.

While we noted no exceptions in the district's handling of student directory information, the process of managing it is fragmented. The data included in student directory information is managed by Business Process Owners (BPO) in many district departments, each being responsible for their particular data. However, there is no overall ownership of the data and the processes used to manage it. Fragmented

management dilutes accountability and can create gaps in control processes. It can also impede process-wide improvements since the focus is on tasks rather than the overall process. For these reasons, we recommended the district establish overall ownership of student directory information and the processes used in managing it.

Management has responded that they are comfortable with the current management by multiple BPOs without an overall process owner and they have declined to implement the recommendation.





Spring Break Shutdown 2022 Strategic Assessment

The Internal Audit Department conducted a strategic assessment of the district's 2022 Spring Break Shutdown. Strategic assessments are short, focused analyses of data in risk areas. This assessment was a follow-up to shutdown audits or assessments conducted by the department in 2015, 2017, and 2018.

Shutdowns commonly occur during holiday periods when ten-month employees do not work and schools are closed. Their purpose is to conserve resources and save money. During

a shutdown, only a few buildings are open to accommodate twelve-month employees who are working and whose primary work locations are closed.

The assessment found the district's implementation of electronic timesheets and other procedures have corrected deficiencies noted in the previous engagements. However, we noted five opportunities to further improve the processes around holiday shutdowns and one accountability gap.

GEER Summer Recovery Program Grant

As part of its ongoing audits of COVID-19 related grants, the Internal Audit Department audited the GEER Summer Recovery Program Grant. This grant was to mitigate learning declines due to the loss of face-to-face education by providing additional learning assistance. At OCPS, this grant paid for:

- Effective teachers to lead small reading classes
- Teacher training
- Transportation of students to summer school
- Math learning assistance

The district received \$5,306,466 from this grant which ran from July 1, 2020 through October 31, 2021. A portion of the grant funding, \$419,267, was allocated to charter and non-public schools.

Our overall conclusion is that the GEER Summer Recovery Program grant funds were spent in accordance with the purpose of the grant. Test results for students participating in the Summer Reading program were mixed, with 62% showing increased ELA scores and 38% showing decreased or unchanged ELA scores at the end of summer school, as compared to scores at the end of the previous school year. Details by grade are included in the attached report.

IDEA Funding Special Report

We performed a detailed examination of the district's expenditure of IDEA funds from July 1, 2022 through December 31, 2022. Expenditures of IDEA funds go through a review and approval process described in detail in an exhibit to the attached report. Highlights of that process include:

- Every expenditure from IDEA must be reviewed and approved by the ESE Executive Director.
- Every district-based expenditure of IDEA funds approved by the ESE Executive Director must also be approved by the ESE Associate Superintendent.

- Every request for new IDEA-funded administrator positions must be approved by the Deputy Superintendent.
- Every approved non-payroll expense must be reviewed for allowability by the Senior Director of Federal Programs.

During the review period the district expended \$19,024,857.43 of IDEA funds of which \$16,367,582.52 (86%) was for all or part of the salaries and benefits for employees involved directly or in support of the provision of ESE services to students with disabilities. Forty-one

position titles covering 723 employees were included in this total.

Another \$2,657,274.91 was spent on non-payroll items such as professional and technical services, technology, substitute services, indirect costs and other expenses of the ESE program.

Based on our review, analyses, and verification of ESE expenditures for the period from July 1, 2022 through December 31, 2022, all except \$317.01 of expenditures funded from the IDEA23 #F123180 grant were for ESE services. We recommended the district replace the funds spent on non-ESE services and they agreed to do so.

ESE Substitute Services Special Report

We performed a detailed analysis of substitute services for the period from July 1, 2022 through March 31, 2023, with particular focus on funding of substitute services and ESE substitute services activities. The key points from this analysis were:

- Schools were allocated funding for substitute services in their General Fund budgets:
 - Initial funding \$20,818,585 (10 days of substitute services)
 - Extra funding 10,724,017 (additional 5 days of substitute services)
 - Total allocation \$31,542,602
- Through March 23, 2023, schools spent \$21,956,732 (69.6%) of these funds for substitutes. \$3,576,228.21 of this amount was recorded in function 52000, Exceptional Instruction.
- Funding was allocated in a lump sum to be used as needed on each campus.

- The substitute fill rate for ESE teachers is higher (85.49%) than for ESE paraprofessionals (55.46%).
- The fill rate for non-ESE staff (81.52%) is higher than for ESE staff (72.12%).
- We noted instances where ESE substitute services not were coded to the ESE function (520000) in SAP.
- We noted 13 instances where classified staff were paid to substitute for other classified staff which is not in compliance with the OESPA contract and is a repeat finding.
- We noted five instances where instructional personnel for whom substitutes were provided did not enter their absences SAP. This is a repeat finding.

We included a school-by-school report of allocated funding and actual expenditures for substitutes through June 8, 2023 in an appendix to the report.





COOP Program

Internal Audit audited the district's COOP program. We previously audited COOP activities as part of our Emergency Management and Business Continuity Audit and issued that report in January, 2019. At that time the COOP program had only started and needed improvement and updating. This audit noted significant progress in the COOP program.

We evaluated the maturity of the various department COOPs using a maturity model that addressed six domains of COOPs. The overall score for the district's plan was 78 out of a possible 100. Individual department plans' scores ranged from 29 to 100.

The district's Safety and Emergency Management Department is responsible for developing the COOP program. However, they do not have the authority to establish or enforce standards for COOP content,

testing requirements, updates, etc. As a result, accountability for the program's effectiveness is diluted.

A direct result of this lack of authority is that the COOP has not been formally tested. Testing is a must to ensure plans are effective at managing risks and restoring operations in an actual event. Currently departments test (or don't test) their COOPs when and to whatever extent they choose. There is no central accountability for the quality and effectiveness of the overall district COOP and the district COOP is not tested. This is a repeat finding from our 2019 audit.

We recommend authority be combined with responsibility for the COOP, that the COOP be formally tested on a regular basis, and that access controls over the COOP Dashboard be developed and implemented.

Compensation Services

This performance audit was included in this year's audit plan because of risks associated with significant responsibilities, a high volume of work, and manual processes.

The Compensation Services Department, when fully staffed, operates with a staff of three administrators and one classified employee. The department's responsibilities include evaluation and analysis of all wage and salary issues, job evaluations, job descriptions, compensation studies, support to Labor Relations in union contract negotiations, and management of unemployment compensation claims. During our audit period from July 1, 2021, through November 17, 2022, they managed 19,832 pay changes.

While we found the department is generally functioning well, increases in the volume of work (nearly double since 2018 and up 39% in the past three years), coupled with largely manual processes, increases the risk of errors. Our audit test results found one error in pay and an inconsistent practice in the application of annual cost of living increases. We also noted the department must use a weekly report that is known to be inaccurate to monitor the accuracy of pay changes. They have developed a workaround to mitigate the report's inaccuracies.

We contacted other large Florida school districts to learn the size of their compensation staffs as well as their basic functions. We learned

OCPS has more employees per Compensation Services staff member than other districts. OCPS has 6,074 district employees for each compensation staff member while the next closest, Broward, has 4,117 employees for each compensation staff member. The complete

data is included in our report on Chart 2. We also learned only one other surveyed district, Duval, has unemployment claims managed by compensation staff.

We made three recommendations with which management agreed.

Internal Quality Self-Assessment

The Internal Audit Department's quality assurance and improvement program calls for periodic internal assessments in the years in between external reviews. (External peer reviews are conducted every five years.) The department recently completed an internal assessment in accordance with the Institute of Internal Auditors' Quality Assessment Manual for

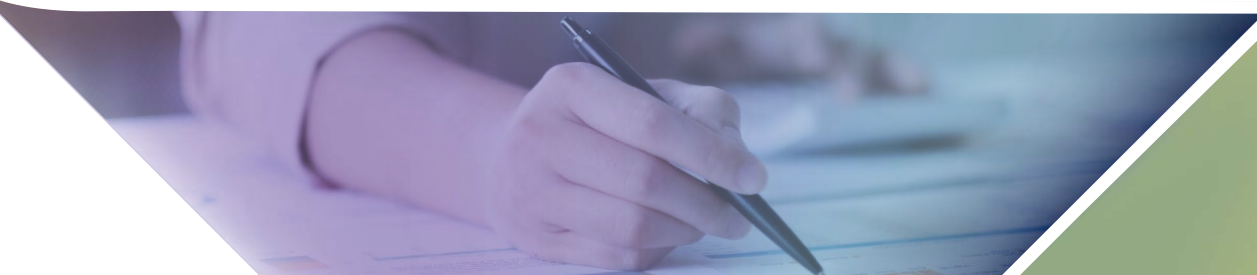
the Internal Audit Activity and has prepared the attached report with responses from the Senior Director, Internal Audit. The assessor found that the department generally conforms to the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics issued by the Institute of Internal Auditors.

Audit of Sales Tax and Capital Renewal Funds

Annually the Internal Audit department oversees an audit of the Sales Tax and Capital Renewal Funds by the district's external audit firm. This audit is performed under the authority of the COVE committee for the purpose of demonstrating compliance with School Board Resolution Nos. 05/02/02 NC-1 and 2014-06-10. These resolutions authorized referenda for the levy of a half-cent sales tax that provides a

significant amount of funding for the district's school construction program.

This audit has been performed annually since the first referendum passed and the auditors have noted compliance with the resolution throughout this period of time. These audits will continue until the sales tax extension period ends and all the sales tax proceeds are spent.



Construction Projects

The Internal Audit Department administers a contract with an outside firm to verify the final cost of construction projects. These engagements are routinely performed on projects which have a guaranteed-maximum-price contract. Costs associated with these engagements have been recovered many times over through reductions in contractors' claimed

costs. In fact, where adjustments exceed \$10,000, the contractor must reimburse the district for the firm's fee.

During the current fiscal year, 11 of these engagements were completed covering construction costs of more than \$158 million, resulting in cost savings (refunds to the district) of more than \$189,000.

District Schools' Internal Accounts Audits

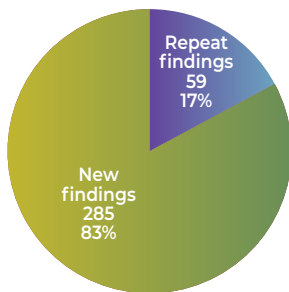
We conducted audits of schools' internal accounts for the year ended June 30, 2022, as required by Florida Statutes. We outsource these audits to a firm of certified public accountants and the Internal Audit Department oversees their work. Our team performed three of these audits.

The 2022 audit resulted in an unqualified opinion on the financial statements and no reported deficiencies, significant deficiencies, or material weaknesses in internal controls. The audit firm

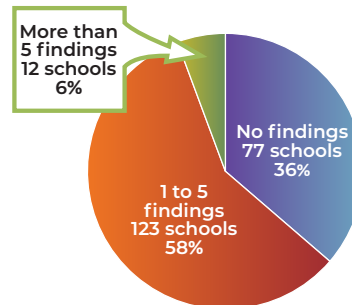
also reported no instances of noncompliance with laws, regulations, contracts, and grant agreements which could have a direct and material effect on the financial statements.

However, there were findings reported in a management letter. Notably, 17% of findings in the 2022 audits were repeats of findings in the previous year. The following chart shows the number of findings per school noted in the 2022 school audits.

Repeat vs. New Findings

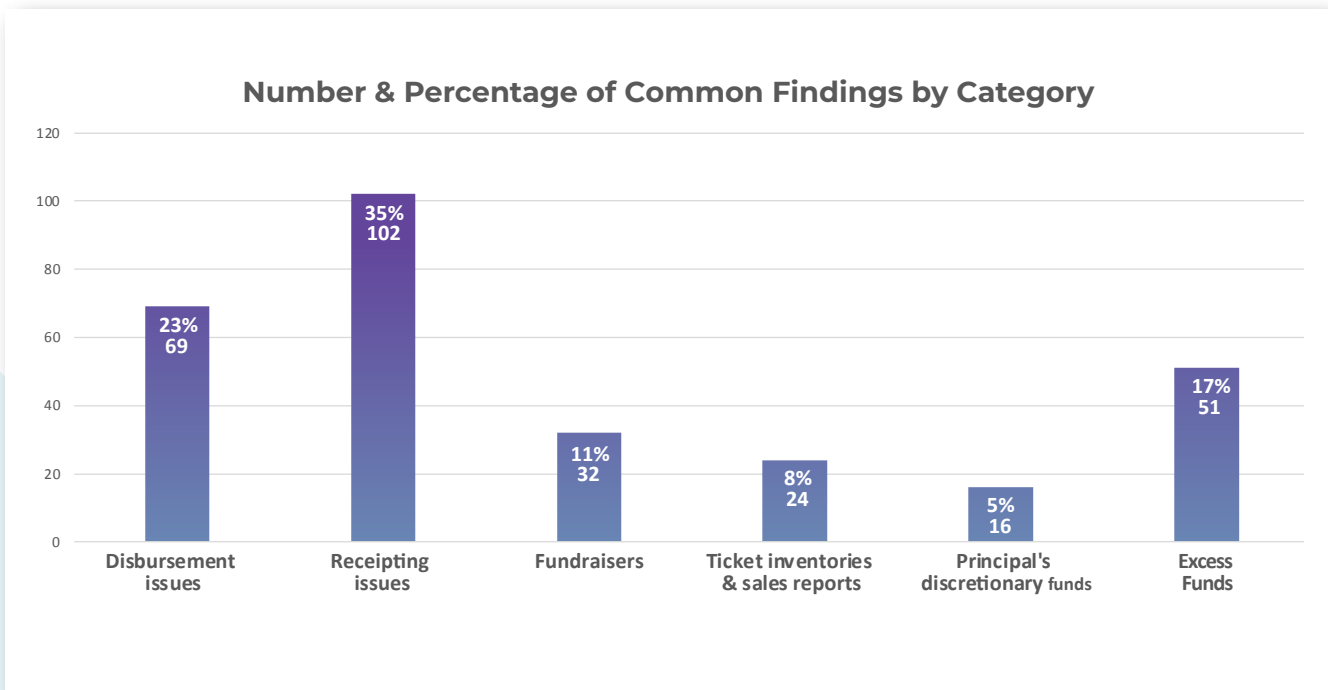


Number of Findings Per School



We have analyzed schools' internal accounts findings by transaction category. The most common types of findings from the 2022 school audits are shown in the following chart. As is often the case, receipting transactions

generated the most comments (35%). This is because receipt transactions far outnumber other types of transactions and they involve more people.



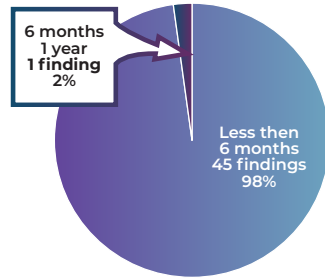
OTHER INTERNAL AUDIT DEVELOPMENT ACTIVITIES

Audit Recommendations Follow-Up

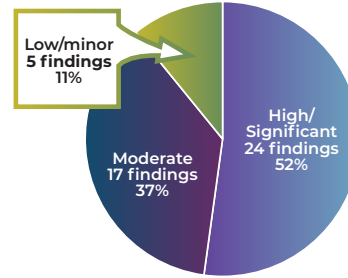
A goal of the Internal Audit Department is to increase the overall effectiveness of district operations and procedures. Recommendations from audits become meaningful only when agreed upon and implemented. As a routine

practice, we follow up on management's responses to audits to determine whether corrective actions have been implemented in a timely manner. When warranted, we perform follow-up audits.

Findings by Age in Months as of June 30, 2023
(46 findings from 23 engagements)



Findings by Risk Category as of June 30, 2023
(46 findings from 23 engagements)



Investigations

From time to time the Internal Audit Department performs investigations in support of the district's Legal Department or management. The nature and extent of these investigations vary

according to the particular matter of concern. In the most recent fiscal year, we assisted in three investigations.

Fraud Hotline

The district's fraud hotline is answered in the Internal Audit department. The hotline is available to employees and members of the community to report suspected fraud, theft, or ethics violations. We document information received on calls to the hotline and send it to the Ethics Officer in the Legal Services Department for logging and assignment.

For the year ended June 30, 2023, the district logged 107 new complaints into the tracking

system. The chart below summarizes activity for the fiscal year.

Cases open at July 1	46
New cases during the fiscal year	107
Cases closed during the fiscal year	59
Cases open at June 30	94



Association of Local Government Auditors

November 18, 2021

Linda Lindsey
School Board Internal Auditor
Internal Audit Department
Orange County Public Schools
445 West Amelia Street
Orlando, FL 32801

Dear Ms. Lindsey,

We have completed a peer review of the Orange County Public Schools' Internal Audit Department for the period of October 1, 2016 to September 30, 2021. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide for Assessing Conformance with International Standards for the Professional Practice of Internal Auditing* by the Association of Local Government Auditors (ALGA).

We reviewed the internal quality control system of your audit organization and conducted tests in order to determine if your internal quality control system operated to provide reasonable assurance of conformance with the *International Standards for the Professional Practice of Internal Auditing (the Standards)* issued by the Institute of Internal Auditors as part of their *Professional Practices Framework*. Due to variances in individual performance and judgment, conformance does not imply adherence to standards in every case, but does imply adherence in most situations.

Based on the results of our review, it is our opinion that the Orange County Public Schools Internal Audit Department's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of conformance with *the Standards* for assurance and consulting engagements during the period of October 1, 2016 to September 30, 2021.

Jennifer An

Jennifer An
Team Leader
City of Los Angeles

Carolyn Smith

Carolyn Smith
Team Member
Columbus City Schools



OC PS | **Orange County
Public Schools**

445 West Amelia Street | Orlando, FL 32801 | www.ocps.net

Internal Audit Department

407-317-3200 | www.ocps.net/departments/internal_audit

The School Board of Orange County, Florida, does not discriminate in admission or access to, or treatment or employment in its programs and activities, on the basis of race, color, religion, age, sex, national origin, marital status, disability, genetic information, sexual orientation, gender identity or expression, or any other reason prohibited by law.

The following individuals at the Ronald Blocker Educational Leadership Center, 445 West Amelia Street, Orlando, Florida 32801, attend to compliance matters: Equal Employment Opportunity (EEO) Officer & Title IX Coordinator: Keshara Cowans; ADA Coordinator: Jay Cardinali; Section 504 Coordinator: Tajuana Lee-Wenze. (407.317.3200)