

BOARD OF EDUCATION OF HARFORD COUNTY

INFORMATIONAL REPORT

DECISION ON THE OFFICE OF INTERNAL AUDIT'S FY2025 AUDIT PLAN

June 24, 2024

Background Information:

The Office of Internal Audit adheres to the *International Standards for the Professional Practices of Internal Auditing (Standard)*. The Standard requires the Chief Auditor to develop a risk-based audit plan to determine the priorities of the internal audit activity, consistent with Harford County Public Schools' goals. According to the standards, the Chief Auditor must communicate the internal audit activity's plans, resource requirements, and resource limitations to the board for review and approval.

Discussion:

The Office of Internal Audit performed a risk assessment of Harford County Public Schools in order to develop the audit plan. For each business process identified, the Chief Auditor considered factors such as financial risks, prior audit issues and the priorities of citizens, Audit Committee members and Harford County Public Schools' Management to determine the areas of greatest risk to Harford County Public Schools. The audit plan for fiscal year 2025 includes audits of Inventory Controls, Grant Monitoring Controls, and Board Policies and Procedures. In addition to audits, the plan includes time for preparing the HCPS Budget Analysis, performing the required exit audits, performing continuous audit techniques over purchase card, payroll, and school activity fund transactions, responding to research requests from Board Members or management, continuing professional education and follow-up of prior audit findings. Risks and business processes will be evaluated continuously, annually and throughout each audit; consequently, **the audit plan is flexible, and the schedule is subject to change as new areas of concern are identified**. Any significant changes will be communicated to senior management and the Board of Education.

The audits scheduled are only those that are most critical, as determined by the risk assessment. A list of the projects that are not scheduled in the next two years follows the audit plan. The Office has sufficient knowledge to competently perform all of the audits scheduled for the upcoming year.

Board of Education's Audit Committee Request:

The Board of Education's Audit Committee and Office of Internal Audit request approval of the FY2025 Audit Plan from the Board of Education.