



Freeport Public Schools

**Annual Risk Assessment Update
Pertaining to the Internal Controls
of District Operations**

June 2022

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES

The Board of Education
Freeport Public Schools

We have performed the procedures enumerated below, which were agreed to by the Freeport Public Schools (the "District"), solely to assist the District. This agreed upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We have updated our June 2021 Risk Assessment by performing certain internal audit procedures pertaining to the time period starting July 1, 2021 through June 30, 2022. The updated Risk Assessment and related internal audit plan concentrates on the following key internal control areas:

- Governance and Planning
- Budget Development
- Accounting and Reporting
- Revenue and Cash Management
- Grants
- Payroll
- Human Resources
- Benefits
- Purchasing and Related Expenditures
- Facilities Maintenance
- Capital Projects
- Fixed Assets
- Food Service
- Extraclassroom Activity Fund
- Information Systems
- Cybersecurity
- Student Data Management
- Pupil Personnel Services
- Transportation
- Security and Safety
- Insurance / Risk Management

Our engagement is limited in scope and will be confined to our agreed-upon procedures. We will not be conducting an audit or review of the District's financial statements and therefore we will not express an opinion or any other form of assurance on them.

At the end of our engagement, we will present the results of applying the agreed-upon procedures in the form of our findings in a report. Our accountants' report should be used only for the intent of the original users of this report and will include a statement indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. As such, using this report for anything other than the original intent of the agreed-upon procedures could mislead the readers. You must notify us immediately if the original users of the report change.

Very truly yours,

Nawrocki Smith LLP

October 31, 2022



Freeport Public Schools

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June 2022

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RISK ASSESSMENT OVERVIEW

This Risk Assessment report provides a presentation of our view of the Freeport Public Schools' risk pertaining to its financial operations. It gives the District's administration the information necessary to help optimize its overall performance. The report identifies, expresses, and prioritizes the key program risks so that the District's administration can focus on those areas most critical to its success. This analysis is used to define the District's risk profile. It will provide an overview of the risks facing the District's operations.

In accordance with the laws of New York, 2005, Chapter 263, all School Districts and BOCES were required to establish an internal audit function no later than July 1, 2006 and be in operation no later than December 31, 2006. This function should include, at a minimum, development of a risk assessment of district operations, including but not limited to:

- A review of financial policies, procedures and practices.
- An annual review and update of such risk assessment.
- Annual testing and evaluation of one or more areas of the District's internal controls.
- Preparation of reports which analyze significant risk assessment findings.
- Recommended changes for strengthening controls and reducing identified risk; and specifying time frames for implementation of such recommendations.

Pursuant to Section 170.12 – Regulations of the Commissioner of Education – School District Financial Accountability, each School District must prepare a corrective action plan, approved by the Board of Education in response to findings to final reports issued by the internal auditor. This plan should include expected dates of implementation and should be filed with the New York State Education Department.

INTERNAL AUDIT OBJECTIVES

The objectives of our engagement are as follows:

- Develop an understanding of the critical business processes of the District within each functional area.
- Identify and qualify risks based on the understanding of the business processes and stated business rules.
- Identify stated controls that are currently in place to address those risks and ascertain if they are operating effectively.
- Recommend improvements in internal controls.

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SCOPE AND METHODOLOGY

The Board of Education has engaged Nawrocki Smith as the District's internal auditor. In compliance with New York State Laws, we have performed an annual update to the District risk assessment with respect to policies, procedures, and internal controls pertaining to District operations. The procedures applicable to the annual update of the District's risk assessment were performed during the twelve months ending June 2022 and were carried out in order to determine an internal audit plan for the fiscal year 2022/2023 and thereafter. This risk assessment will be updated annually to reflect any changes in the current control environment and the existing internal audit plan.

Our risk assessment consisted of the following methodology:

- Perform interviews of Administration and other appropriate personnel.
- Document procedures within key Functional Areas.
- Identify key controls and perform audit tests of those controls.
- Assess the effectiveness of the key controls.
- Identification and review of organization structure.
- Analysis of risks that are a threat to the achievement of objectives.
- Create a risk profile and internal audit plan.

In addition to the above procedures, we have also evaluated and considered the following within our overall risk assessment:

- District policies and procedures.
- Recent focus of State Comptroller Audits.
- Board of Education/Audit Committee Meetings.
- Materiality to Financial Statements.
- Changes in management or key personnel.
- Financial reports provided to the Board.
- External auditor management letters.
- District corrective action plans.
- Organizational chart and job descriptions.

INTERNAL AUDIT COVID PANDEMIC CONSIDERATIONS

As Districts are challenged in carrying out certain internal control procedures during the COVID pandemic, our risk assessment included the following environmental considerations:

- Has Management's risk tolerance increased, allowing for a lower level of control effectiveness?
- Have staff changes (reorganization, furloughs, and terminations) impacted controls, processes, performance, and increased opportunities for potential fraud?
- Have segregation of duty conflicts been managed with changes in people and processes?
- Has Management assessed the impact on key processes and controls including technology?
- Have there been any material changes in internal controls over financial reporting that will require disclosure in the previous and upcoming audit report?

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INTERNAL AUDIT RISK ASSESSMENT UPDATE SUMMARY

We have analyzed twenty-one (21) Business Process areas within the District and have developed an internal audit plan based on our assessment of each area. Each of the twenty-one (21) Business Processes contains multiple categories for which an extensive cycle analysis will be performed during the proposed time period noted within the risk rating and internal audit plan. The plan as presented will be revised each year based upon the annual risk assessment update and events/requests that occur during the year which impact the priority of future internal audit services.

The results of our risk assessment are summarized below and, in the tables, presented on pages 5 through 7. We have utilized a "Low," "Moderate," and "High" control risk rating assessment scale of the organization.

<u>CURRENT YEAR RATINGS</u>		<u>CHANGE FROM PRIOR YEAR</u>	
<u>Rating</u>	<u>2021/2022</u>	<u>Category (*)</u>	<u>Count</u>
High	- 0.00%	"High" to "Low"	- 0.00%
Moderate	7 7.61%	"High" to "Moderate"	- 0.00%
Low	85 92.39%	"Moderate" to "Low"	- 0.00%
Total	92 100.00%	"Low" to "Moderate"	5 100.00%
		"Moderate" to "High"	- 0.00%
		Total	5 100.00%

Our June 2022 risk assessment update contains eight (8) recommendations, as follows:

<u>Business Process</u>	<u>Recommendation(s)</u>
Governance and Planning	1
Accounting & Reporting	1
Fixed Assets	1
Food Service	1
Extracurricular Activity Fund	1
Information Systems	2
Cybersecurity	1
Total	8

The District has completed or taken action on the four (4) prior risk assessment report recommendations as follows:

	<u>Complete</u>	<u>In-Process</u>	<u>Not Started</u>	<u>Total</u>
Recommendations	3	1	-	4

Based on the work performed, we have summarized below the areas we recommend the District consider for the selection of one (1) intensive cycle analysis to be performed during the fiscal year 2022/2023:

<u>Cycle Reviews:</u>	<u>Other 2022/2023 Planned Internal Audit Services:</u>	
• Safety & Security	External Audit Corrective Action Plan Monitoring	• Annual Risk Assessment Update as of June 2023
• Cybersecurity NIST Gap Analysis	• Employee Remote Working Cycle Recommendations Follow-Up	• Mid-Year Internal Audit Status Reports
		• Other Internal Audit Services at the Request of the District/BOE

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RISK RATING AND INTERNAL AUDIT PLAN

√ = Internal Audit Services Provided
★ = Business Cycle Review Complete

X = Proposed Business Cycle Review
T = Proposed Key Control Testing

	Business Process	Business Process Categories	RISK			YEAR OF SERVICE		
			Inherent	Control		Prior	22-23	Subsequent
				20-21	21-22			
1	Governance and Planning	1 Governance Environment	H	L	L	√		X
		2 Control Environment / Policies & Proc.	H	L	L	★		
2	Budget Development	3 Budget Development	H	L	L	√		X
		4 Budget Monitoring & Reporting	H	L	L	√		X
3	Accounting & Reporting	5 Financial Accounting and Reporting	H	L	L	√		X
		6 External/Internal/Claims Auditing	H	L	L	√		X
		7 Fund Balance Management	H	L	L	√		X
4	Revenue and Cash Management	8 Real Property Tax	M	L	L	★		
		9 State Aid	H	L	L	★		
		10 Out of District Tuition/Reimb. Exp.	M	L	L	★		
		11 Use of Facilities	L	L	L	★		
		12 Donations	M	L	L	★		
		13 Vending Machines	H	L	L	★		
		14 Cash Receipts	H	L	L	★		
		15 Cash & Investment Management	H	L	L	★		
		16 Petty Cash	L	L	L	★		
		17 Bank Reconciliations	H	L	L	★		
		18 Online Banking	H	L	L	★		
		19 Accounts Receivable	H	L	L	★		
5	Grants	20 General Processing	H	L	L	★		
		21 Grant Application	M	L	L	★		
		22 Allowable Costs & Expenditures	H	L	L	★		
		23 Monitoring	M	L	L	★		
		24 Reporting	H	L	L	★		
6	Payroll	25 Payroll Disbursements	H	L	L	★		
		26 Overtime Reporting	H	L	L	★		
		27 Payroll Accounting & Reporting	H	L	L	★		
		28 Payroll Tax Filings	H	L	L	★		
		29 Payroll Reconciliation	H	L	L	★		
7	Human Resources	30 Employment Requisition/Hiring	H	L	L	★		
		31 Personnel Evaluation	H	L	L	★		
		32 Termination	H	L	L	★		
		33 Employee Attendance	H	L	L	★		

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Risk Rating and Internal Audit Plan (Continued)

√ = Internal Audit Services Provided
★ = Business Cycle Review Complete

X = Proposed Business Cycle Review
T = Proposed Key Control Testing

	Business Process	Business Process Categories	RISK			YEAR OF SERVICE		
			Inherent	Control		Prior	22-23	Subsequent
				20-21	21-22			
8	Benefits	34 Eligibility	H	L	L	★		
		35 Benefit Calculations	H	L	L	★		
		36 Patient Protection & Affordable Care Act	H	L	L	√		
		37 Retiree Benefits	H	L	L	★		
		38 ERS/TRS	H	L	L	★		
9	Purchasing and Related Expenditures	39 PO System & Vendor Database	H	L	L	★		X
		40 Purchasing Process	H	L	L	√		X
		41 Payment Processing	H	L	L	√		X
		42 Employee Reimbursements	H	L	L	√		X
		43 Credit Cards	H	L	L	★		X
10	Facilities Maintenance	44 Facilities Maintenance/Work Orders	H	L	L	★		
		45 Staff Supervision	M	L	L	★		
		46 Preventive Maintenance	M	L	L	★		
		47 Coordination with Outside Vendors	M	L	L	★		
11	Capital Projects	48 Construction Planning & Monitoring	H	L	L	√		X
		49 Capital Project Funding & Payments	M	L	L	√		X
		50 Recordkeeping & Reporting	M	L	L			X
12	Fixed Assets	51 Inventory/ Capitalization Policy	H	L	L	★		
		52 Acquisition and Disposal	H	L	L	★		
		53 Inventory Process & Recordkeeping	H	L	M	★		
13	Food Service	54 Sales Cycle and System	M	L	L	★		
		55 Inventory and Purchasing	M	L	L	★		
		56 Free & Reduced Meals	M	L	L	★		
		57 Federal and State Reimbursement	H	L	L	★		
		58 Financial Reporting & Monitoring	H	L	M	★		
14	Extraclassroom Activity Fund	59 General Controls	H	M	M	★		
		60 Revenue	H	L	L	★		
		61 Expenditures	M	L	L	★		
		62 Reporting	M	L	L	★		

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Risk Rating and Internal Audit Plan (Continued)

√ = Internal Audit Services Provided
★ = Business Cycle Review Complete

X = Proposed Business Cycle Review
T = Proposed Key Control Testing

	Business Process	Business Process Categories	RISK			YEAR OF SERVICE		
			Inherent	Control		Prior	22-23	Subsequent
				20-21	21-22			
15	Information System	63 Governance	H	L	L	★		
		64 Inventory	H	L	L	★		
		65 Network Security	H	L	M	★		
		66 Application Security	H	L	L	★		
		67 Physical Security	H	L	M	★		
		68 Disaster Recovery	H	L	L	★		
16	Cybersecurity	69 General Controls	H	L	M	★	X	
		70 Information & Asset Security	H	L	L	★	X	
		71 Vulnerability Assessment	H	L	L	★	X	
		72 Incident Response & Recovery	H	L	L	★	X	
17	Student Data Management	73 Registration & Enrollment	H	L	L			X
		74 Student Attendance	H	L	L			X
		75 Student Performance	H	M	M	★		X
		76 Student Eligibility	H	L	L			X
18	Pupil Personnel Services	77 Budgeting and Planning	H	L	L	★		
		78 STAC Reimbursement	H	L	L	★		
		79 Medicaid Reimbursement	H	L	L	★		
		80 RFP and Contracts	H	L	L	★		
19	Transportation	81 Fleet Inventory and Maintenance	H	L	L	★		
		82 Bus Routing and Planning	H	L	L	★		
		83 Labor and Supervision	H	L	L	★		
		84 Contract Management	H	L	L	★		
		85 Federal and State Reimbursement	H	L	L	★		
20	Safety & Security	86 Plan Development & Strategy	H	L	L	√	X	
		87 Building Access & Security System	H	L	L	√	X	
		88 Compliance and Incident Reporting	H	L	L	√	X	
		89 Safety & Security Monitoring	H	L	L		X	
21	Insurance / Risk Management	90 General	H	L	L			X
		91 Policy Management	H	L	L	√		X
		92 Claims Reporting	H	L	L			X

Inherent Risk - Inherent risk pertains to the overall School District industry. Inherent risk is the risk of a material misstatement that may occur assuming the absence of internal controls.

Control Risk - Control risk pertains specifically to the Freeport Public Schools. Control risk is the risk that a material misstatement will not be detected and corrected by Management's internal controls on a timely basis.

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RISK ASSESSMENT OBSERVATIONS AND RECOMMENDATIONS

Current Year Observations and Recommendations

Governance and Planning

1. The District has established a remote work policy, user authorization, and VPN access controls to govern employee remote working procedures.
 - *During the course of our audit, we developed narratives regarding employee remote working and telecommuting procedures and a sample employee remote working agreement. We recommend the District consider including the narratives attached to our internal audit report as supplemental enclosures to the existing documented guidelines. Additionally, we recommend that the District consult and review the sample employee remote working agreement with its legal counsel.*

Accounting & Reporting

2. The Business Office has not posted the annual external and internal audit reports or corrective action plans on the District's website.
 - *According to the Office of State Comptroller's School District Website Transparency guidelines, the Business Office should post the District's annual external and internal audit reports or corrective action plan on the District's website. This will assist the District in its efforts to communicate its financial information to the public.*

Fixed Assets

3. We conducted key control testing in the area of fixed assets. We noted instances whereby we could not locate certain fixed assets, asset tags were not attached, and items were within their shipping packages secured in storage areas.
 - *All Administrators, Department Heads, and employees who sign off on the receiving copy of the purchase order should be required to attach inventory tags on the applicable fixed assets. In addition, the District should assign an employee separate from the Business Office and the Facilities Department or Internal Auditors to conduct periodic walkthrough observations and verify whether the fixed assets are properly affixed to the equipment. The observation function should be performed annually during the month of March and the results should be documented and communicated to the Assistant Superintendent for Business. Any exceptions should be investigated and corrective action should be implemented in a timely manner.*

Food Service

4. The District's school lunch fund balance was in excess of its three (3) month average of expenditures as of June 30, 2021.
 - *According to the New York State Education Department, the District should make efforts to reduce the fund balance of the school lunch account and not exceed three months' average expenditures at any time to maintain its nonprofit status. The District should take steps to reduce*

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its net cash resources or have an acceptable plan for using surplus net cash resources. A plan should be submitted to the Child Nutrition Program Administration and provide the following:

- *Explanation of how the District will reduce the fund balance (net cash resources) to an acceptable level within one year by improving food quality or purchasing needed supplies, services, or equipment.*
- *Explanation of what the District will do to ensure that an excessive fund balance (Net cash resources) will not occur in the future.*

Extraclassroom Activity Fund

5. The District needs improvement in the area of Extraclassroom Activity Fund general controls by designating a Faculty Auditor for the Extraclassroom Activity Fund to independently audit and reconcile the Central Treasurer's and Club Advisors' account ledgers.
 - *According to the NYSED Extraclassroom Activity Fund guidelines, the District should appoint a Faculty Auditor to review all Extraclassroom Activity Fund transactions to ensure that all collections and disbursements are supported, approved, and processed accurately. The Faculty Auditor should be an individual distinct and separate from other appointed officers. The Faculty Advisor should reconcile monthly The Central Treasurer and Club Advisors' ledgers to ensure they are complete and accurate. This will enhance the District's oversight of internal controls over the Extraclassroom Activity Fund and ensure compliance with State Education Guidelines.*

Information Systems

6. The Information Technology Department has not established protocols to prevent building-level employees from saving data on District desktops or laptops, which increases the risk of losing sensitive data if the hard drives are stolen or damaged.
 - *The Information Technology Department should establish protocols to prevent building-level employees from saving data on District desktops or laptops. Storing data on the network ensures that, if a user's computer breaks down, that data will not be lost and could be accessed from the network by logging on from another computer.*
7. The Information Technology Department has not enabled remote wipe capability for Windows laptops.
 - *The Information Technology Department should implement a remote wipe and/or remote factory reset ability on all laptops. This will protect sensitive data from people who possess enterprise-owned devices without authorization to view the data or possess the device.*

Cybersecurity

8. In accordance with the New York State Education Law §2-D Regulation, Part 121 of the Commissioner's regulations, all School Districts and BOCES were required to establish security and privacy measures to safeguard the students' Personal Identifiable Information (PII) no later than January 1, 2020. The District needs improvement in monitoring its data privacy and security procedures to meet the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) standards and comply with the New York State Education Law Part 2d.

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- *We recommend the District consider having Nawrocki Smith perform a NIST gap analysis (cybersecurity assessment) of the current state of the information security level of the District in accordance with the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF), Center for Internet Security (CIS) 18 Critical Security Controls, New York State Education Law §2-D Regulation, Part 121 of the Commissioner's regulations, and best practices.*

Status of Prior Year Recommendations

We have performed follow-up internal audit services applicable to our previously issued risk assessment update report dated June 2021. The services we performed included observing and evaluating the implementation status of the District's action plan in respect to our prior risk assessment recommendations. The June 2021 risk assessment update identified four (4) recommendations within four (4) distinct areas. The District has completed or taken action on the four (4) recommendations as follows:

<u>Business Process</u>	<u>Complete</u>	<u>In-Process</u>	<u>Not Started</u>	<u>Total</u>
Revenue and Cash Management	1	-	-	1
Grants	1	-	-	1
Extraclassroom Activity Fund	-	1	-	1
Student Data Management	1	-	-	1
Total	3	1	-	4

Revenue and Cash Management

- We recommend the District explore the eFinance Plus application capabilities to maintain an accounts receivable module within eFinance Plus to generate invoices, track the sequence of bills, and monitor outstanding balances. This will assist the Business Office in increasing its oversight of amounts to be collected and help serve as the basis for posting entries to receivable control accounts.

Status as of June 2022: Complete

Grants

- The District should update its Personnel Activity Reports to reflect the format recommended by the New York State Education Department. In addition, the District should revise the format of the Personnel Activity Report to include the number of hours and salary amounts charged to the grant as recommended by the New York State Education Department. We also recommend that the District obtain completed payroll certifications from all grant employees or direct supervisors to support the salary amounts being charged to the grants. (Annually for employees whose salary is 100% paid by grant funds and monthly for employees whose salary is partially paid by grant funds.) Employees or Direct Supervisors who have not submitted completed payroll certifications should be contacted to submit current certifications. This will assist the District with adhering to the reporting requirements of OMB Circular A-133 – Certification of Payroll Funded through Federal Awards.

It should be noted that the District has implemented this recommendation and it is current practice to obtain completed payroll certifications from all grant employees or direct supervisors.

Status as of June 2022: Completed

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Extraclassroom Activity Fund

- We recommend that the Management team review the activities conducted by the high school athletic league and decide whether to treat them as an outside organization utilizing the District's facilities and remove their financial activity from the District's extraclassroom activity funds.

Status as of June 2022: In-Process

Student Data Management

- The District should generate audit logs to determine the appropriateness of student grade changes. Audit logs should be run between marking periods, and at random times, to monitor changes in student grades and to review the rationale, documentation, and authorization for any such changes. The Principals and the Assistant Superintendent for Curriculum & Instruction should review the audit logs as well as the individual requests from building administrators to determine whether any pattern or unusual activity is evident. This review process should be documented. The District should also consider having an independent audit performed to ensure student grade changes are appropriate and authorized. The audit report should be provided to the Principals and the Assistant Superintendent for Curriculum & Instruction for review.

Status as of June 2022: Complete

EXHIBITS

Exhibit I History of Internal Audit Services

Exhibit II Internal Audit Plan for 2022/2023



Freeport Public Schools
History of Internal Audit Services

◆ = Risk Assessment Complete ★ = Business Cycle Review Complete
✓ = Limited Testing on Business Process Provided ◆ = Special Request Services Provided

		YEAR OF SERVICE																
	Business Process	Business Process Categories	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	Risk Assessment	Risk Assessment	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
1	Governance and Planning	Governance Environment				✓												
		Control Environment / Policies & Proc.																★
2	Budget Development	Budget Development							✓									
		Budget Monitoring & Reporting	✓		✓	✓			✓			✓			✓			✓
3	Accounting & Reporting	Financial Accounting and Reporting	✓		✓	✓			✓									
		External/Internal/Claims Auditing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
		Fund Balance Management			✓													
4	Revenue and Cash Management	Real Property Tax					✓							★				
		State Aid				✓								★				
		Out of District Tuition/Reimb. Exp.			✓								✓	★				
		Use of Facilities			✓			✓						★				
		Donations			✓									★				
		Vending Machines					✓							★				
		Cash Receipts	✓	✓	✓	✓					✓			★				✓
		Cash & Investment Management			✓									★				
		Petty Cash			✓	✓								★				
		Bank Reconciliations	✓	✓	✓	✓	✓					✓		★				
		Online Banking	✓				✓							★				
		Accounts Receivable												★			✓	
5	Grants	General Processing					★										★	
		Grant Application			✓		★						✓				★	
		Allowable Costs & Expenditures					★										★	
		Monitoring			✓		★						✓				★	
		Reporting			✓		★						✓				★	
6	Payroll	Payroll Disbursements	✓		★			✓		✓					★			
		Overtime Reporting			★										★			
		Payroll Accounting & Reporting			★										★			
		Payroll Tax Filings			★										★			
		Payroll Reconciliation			★										★			
		Payroll Procedures	◆															
		Payroll Payout				◆									◆			
7	Human Resources	Employment Requisition/Hiring				★						✓						
		Personnel Evaluation				★								✓				
		Termination				★												
		Employee Attendance			✓	★				✓								



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History of Internal Audit Services

◆ = Risk Assessment Complete ★ = Business Cycle Review Complete
✓ = Limited Testing on Business Process Provided ◆ = Special Request Services Provided

		YEAR OF SERVICE															
Business Process	Business Process Categories	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
8	Benefits						★			✓							
	Eligibility						★			✓							
	Benefit Calculations			✓			★					✓					
	Patient Protection & Affordable Care Act						★				✓						
	Retiree Benefits						★										
	ERS/TRS															✓	
	Retirement/Separation Payout Review			◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
9	Purchasing and Related Expenditures								◆								
	PO System & Vendor Database								✓								
	Purchasing Process																
	Payment Processing		✓	✓													★
	Employee Reimbursements					✓											
	Credit Cards										◆						
10	Facilities Maintenance										★						
	Facilities Maint. & Work Order Proc.										★						
	Custodial Overtime & Training										★						
	Preventive Maintenance										★						
	Coordination with Outside Vendors										★						
11	Capital Projects					✓											
	Construction Planning & Monitoring																
	Capital Project Funding & Payments									✓							
	Recordkeeping & Reporting																
12	Fixed Assets		★														
	Inventory/ Capitalization Policy		★														
	Acquisition and Disposal		★	✓			✓	✓	✓								★
	Inventory Process & Recordkeeping		◆														
	Textbook Inventory Process & Recordkeeping																
13	Food Service				✓	✓						★					
	Sales Cycle and System											★					
	Inventory and Purchasing									✓		★					
	Free & Reduced Meals							✓				★					
	Federal and State Reimbursement											★				✓	
	Financial Reporting & Monitoring											★					
14	Extraclassroom Activity Fund	★	◆	◆	◆								✓			◆	
	General Controls	★	◆														
	Revenue	★	◆							✓							
	Expenditures	★	◆							✓							
	Reporting	★	◆														
	Training			◆													
	Club Advisors				◆												



Freeport Public Schools
History of Internal Audit Services

◆ = Risk Assessment Complete ★ = Business Cycle Review Complete
✓ = Limited Testing on Business Process Provided ◆ = Special Request Services Provided

			YEAR OF SERVICE																
	Business Process	Business Process Categories	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	
15	Information System	Governance								★									
		Inventory								★									
		Network Security								★									
		Application Security						✓		★									
		Physical Security						✓		★									
		Disaster Recovery								★									
16	Cybersecurity	General Controls														★			
		Information & Asset Security												✓		★			
		Vulnerability Assessment														★			
		Incident Response & Recovery														★			
17	Student Data Management	Registration & Enrolment																	
		Student Attendance																	
		Student Performance											◆						
		Student Eligibility																	
		Regents Examination															◆		
18	Pupil Personnel Services	Budgeting and Planning							★										
		STAC Reimbursement				✓			★					✓					
		Medicaid Reimbursement							★					✓					
		RFP and Contracts							★										
19	Transportation	Fleet Inventory and Maintenance									★								
		Bus Routing and Planning									★								
		Labor and Supervision									★								
		Contract Management									★								
		Federal and State Reimbursement						✓		★									
20	Safety & Security	Plan Development & Strategy									✓								
		Building Access & Security System													✓				
		Compliance and Incident Reporting										✓							
		Safety & Security Monitoring																	
21	Insurance / Risk Management	Actuary & Underwriting																	
		Policy Management															✓		
		Claims Reporting																	



Freeport Public Schools

2022/2023 INTERNAL AUDIT PLAN

**(Based upon June 2022 Risk Assessment Update)
Exhibit II**

Cycle Reviews

Status

- Safety & Security

Planned for Nov-22

Cybersecurity NIST Gap Analysis

Status

- Assessment of 18 CIS Controls

Planned for Feb-23

Additional Internal Audit Services

Status

- Annual Risk Assessment Update as of June 2022
- Mid-Year Status Report
- External Audit Corrective Action Plan Monitoring
- Employee Remote Working Cycle Recommendations Follow-up
- Annual Risk Assessment Update as of June 2023
- Retirement and Severance Payout Monitoring
- Other Internal Audit Services at the Request of the District

Draft Complete
Planned for Jan-23
Planned for Jul-23
Planned for Jul-23
Planned for Jul-23
As Requested
As Requested