ARLINGTON PUBLIC SCHOOLS



Internal Audit Annual Audit Plan FY 2026-2027
September 10, 2026

Audit Plan for 2026-2027

Internal Audit Schedule

For the fiscal year 2026-2027 the following audits and follow-ups are scheduled:

- Enterprise Resource Planning (ERP) Post Implementation Review
- Procurement
- HR: Recruitment, Hiring , Qualifications and Performance Tracking
- Facilities, Infrastructure, and Capital Investments
- Cybersecurity: Co-sourced with a third-party
- Audit Follow-up Reviews will continue

ERP Post Implementation

Purpose:

Provide independent assurance that the newly implemented ERP system is operating effectively, supporting district objectives, and delivering expected business benefits.

Audit Objectives: **Business Effectiveness**

- Support operational requirements
- Supports regulatory requirements
- Improves process efficiency
- Reduces manual effort

ERP

Control Environment

- Maintains appropriate user access levels
- Enforces workflow approvals
- Processes transactions accurately
- Produces reliable reporting

Service Delivery

- Provides adequate support to users
- Resolves issues timely
- Supports district operations

ERP Risk Table

Governance	• Insufficient oversight • Weak change management • Undefined accountability
Operational Risks	• Manual workarounds • Inefficient processes • Data quality issues
Technology Risks	• System instability • Integration failures • Inadequate user support
Security Riaks	• Excessive user access • Weak approval controls • Inadequate segregation of duties

ERP

Strategic Goal

The post ERP implementation audit will provide an independent assessment of controls for operational efficiency, improved decision making, less reliance on manual work arounds, reliable reports to support data integrity and enhances accountability for business processes throughout the district.

Procurement

Purpose:

Provide independent assurance that APS procurement activities are conducted efficiently and effectively, with transparency , and in compliance with applicable regulations and policies.

Audit Objectives: **Evaluate Controls over Procurement Business Practices**

- Support responsible stewardship of public funds
- Fair and competitive purchasing practices
- Evaluate vendor performance
- Reduce risks of fraud, waste and abuse

Procurement

Organizational Context

- Newly appointed Director and new support staff
- Opportunity to assess governance, controls, and operational effectiveness
- Review business processes to ensure that they support continuous improvement and accountability

Procurement Risk Table

Governance and Compliance	• Procurement policy compliance • Competitive bidding integrity • Sole source procurement justification
Financial Stewardship	• Purchase authorization controls • Purchasing card oversight • Fraud, waste, and abuse prevention
Vendor and Contract Management	• Vendor and contract vetting • Contract compliance and performance • Conflict of interest management • Controls for Vendor naming conventions
Federal Funding	• Federal grant compliance

Procurement

Strategic Goal

The audit of Procurement will provide an independent assessment that the department is promoting strategic value by protecting public funds, reducing organizational risk, strengthening stakeholder confidence, managing third-party risks, and enabling APS to achieve its educational priorities efficiently and effectively.

Recruitment, Hiring, Qualifications and Performance Tracking

Purpose: To evaluate key HR management controls to ensure that APS attracts, hires, develops, and retains qualified employees while maintaining compliance, fairness, transparency, and accountability.

Audit Objectives: This audit will evaluate the effectiveness of controls over Talent Acquisition

- Recruitment (including internal transfers)
- Candidate screening
- Hiring processes

Recruitment, Hiring, Qualifications & Performance Tracking

Workforce Management

- Qualifications validation
- Onboarding and follow-up
- Transfers and promotions

Governance and Compliance

- Policy compliance
- Documentation standards
- Internal controls
- Oversight mechanisms

Recruitment, Hiring, Qualifications & Performance Tracking

Core Areas of Review

Area	Focus
Standard Operating Procedures	Policies, compliance, oversight
Recruitment & Candidate Sourcing	Qualified and diverse applicant pools
Hiring & Selection	Fair and consistent hiring decisions
Qualifications Verification	Credential and licensure validation
Transfers & Promotions	Equity and documented decisions
Onboarding & Orientation	Training and onboarding effectiveness
Performance Tracking	Evaluation quality and timeliness
HR Technology & Data Integrity	Accuracy, security, and reliability

Recruitment, Hiring, Qualifications & Performance Tracking

Risk Table

Workforce Recruitment Risks	• Inconsistent recruitment practices • Delays in hiring critical positions • Job posting policy violations
Hiring Risks	• Missing background checks • Inconsistent interview scoring
Qualifications Risks	• Candidate credentials do not meet job requirements • Inaccurate credential records
Transfers and Promotions	• Potential bias • Insufficient approvals
Performance Management	• Missing or untimely evaluations • Poor documentation of corrective actions • Inconsistent standards
Compliance Risks	• EEO violations • Incomplete personnel files

Recruitment, Hiring, Qualifications & Performance Tracking

Strategic Goal

The audit will provide independent assurance that HR business processes related to recruitment, hiring, qualifications, and performance tracking are:

- Effective
- Fair and equitable
- Compliant with regulations and policy
- Supported by reliable data and controls, and
- Aligned with APS strategic objectives

Facilities, Infrastructure, and Capital Investments

Purpose: To provide independent assurance that projects are being managed effectively, funds are being used appropriately, and risks are being identified and mitigated before they become costly problems.

Audit Objectives:

- To assess governance and oversight over capital improvement business processes
- To evaluate risk management practices for FICI
- To review and evaluate financial management and controls
- To assess procurement and contract management controls

Facilities, Infrastructure, and Capital Investments

Audit Objectives continued:

- Evaluate Project Management Effectiveness
- Verify Compliance with Laws, Regulations and APS Policies
- Assess Quality Assurance and Project Delivery Controls
- Evaluate Safety and Operational Continuity Controls

Facilities, Infrastructure, and Capital Investments Risk Table

Financial Risks	• Projects exceeding budgets • Unforeseen site conditions • Changes in scope • Inaccurate cost estimates
Schedule Risks	• Permit delays • Weather events • Contractor performance issues
Governance Risks	• Insufficient project reporting • Unclear roles and responsibilities • Failure to identify KPI in a timely manner
Procurement and Contract Risks	• Inadequate bidding practices • Poor controls for reliance on emergency contracts • Contractor default or bankruptcy • Conflicts of interests
Compliance Risks	• Failure to comply with federal and procurement regulations • OSHA • ADA requirements • Building codes • Environmental regulations

Facilities, Infrastructure, and Capital Investments

Safety Risks	• Site hazards • Equipment related risks • Exposure to hazardous materials
Quality Risks	• Poor quality materials • Defective workmanship • Failure to meet requested specifications
Operational Risks	• Interruption in educational schedules • Disruption for facility access • Disruptions in student transportation schedules
Strategic and Stakeholders Risks	• Enrollment projections not aligned with growth in projects • Educational program requirements • Community expectations

Facilities, Infrastructure, and Capital Investments

Strategic Goals

The desired outcomes for the FICI Audit are:

- Projects delivered on schedule and within approved budgets
- Strong compliance with procurement, contracting, and regulatory requirements
- Effective management of project risks, change orders, and construction quality
- Enhanced learning environments through safe, reliable, and modern facilities
- Maximizing the value of public investments

Cybersecurity

Purpose: To provide independent assurance that APS has effective cybersecurity controls to safeguard critical information and support operational resilience.

- This audit will be co-sourced with internal audit and a third-party vendor.
- Procurement is in the process of providing assistance in identifying a vendor for this engagement.

Cybersecurity

Audit Objectives: The primary audit objectives include Protection of Sensitive Information

- Student records
- Employee information
- Payroll data
- Financial records
- Special education information
- Health related information

Cybersecurity

Strengthen Cyber Resilience

- Prevent cybersecurity incidents
- Detect threats promptly
- Respond effectively to breaches
- Recover operations quickly
- Cybersecurity Training for members of the APS community

Questions and Answers

Internal Audit looks forward to providing audit and follow-up services for the 2026-2027 academic year.