ARLINGTON PUBLIC SCHOOLS



Internal Audit Updates for FY 2025-2026
August 27, 2026

The information contained herein may be privileged or confidential.

Updates Internal Audits and Special Projects

School Board Briefing: August 27, 2026

The purpose of this briefing is to provide the Board with updates regarding the Annual Audit Plan for fiscal year 2025-2026.

Executive Summary

For the 2025-2026 fiscal year there were two audits:

- School Safety, and Emergency Management-Completed
- Consulting Contracts-Completed
- A limited scope audit of Employee Relations was requested late in fiscal 2026. The draft report has been completed and is under review by the Audit Committee. This was not on the initial plan.

There were also two special projects:

- District-wide Risk Assessment with RSM-Completed
- Ethical Advocate Hotline-Implementation anticipated launch date-November 2026

FY 2025–26 Internal Audit Plan: Year-End Status

FY26 Work	Type	Status	Board/Audit Committee Status	Next Step
School Safety & Emergency Management	Planned Audit	Complete	Presented Aug. 13	Monitor management actions
Consulting Contracts	Planned Audit	Complete	Final report complete	Expand work in FY27 Procurement Audit
Employee Relations	Added Audit	Draft Complete	Audit Committee Review	Finalize report/action plans
District-wide Risk Assessment	Special Project	Complete	Audit Committee discussion	Feed FY27 audit plan
Ethical Advocate Hotline	Special Project	In Progress	Board-requested	November launch

SSEM

School Safety and Emergency Management(SSEM) advanced to Monitoring and was presented to the Board on August 13, 2026.

This audit provides insight regarding current business practices for:

- Emergency preparedness
- Safety controls
- Operational readiness
- Monitoring and accountability mechanisms

Next Steps: Continue monitoring recommendations and management's progress towards implementation. Monthly **follow-up meetings** are scheduled with the Director.

SSEM

Overall Conclusions:

- The multiple changes in leadership **have** presented some challenges for the department, including moving forward with operational changes in response to staff shortages and priorities related to the needs of both Syphax and APS schools regarding safety and emergency preparedness.
- The management team is comprised of skilled professionals and have made addressing audit findings a priority.
- Caution should be emphasized that there is no 100% guarantee that a risk or safety incident will not occur or be present at any time.
- Effective risk management in safety and security programs rests with APS management's dedication and ability to provide adequate resources to ensure that employees and students are provided with guidance through plans, policies, and training to prepare for the possibility of an emergency or safety threat.

SSEM

Audit Recommendations	Status
Need for SOPs for Threat Reporting Line	Completed
Need for District-Wide Central Communications	Completed
Need for Training and Preparedness training at various APS locations	In Progress
Need for Key and Card Access Controls, Policy needed for Workplace Violence, Need for improved Transportation Safety and a Formal Safety Response Team	In Progress
Staffing and Expansion: Additional Staffing and Raptor Implementation for Extended Day	Under Future Consideration

Consulting Contracts

Final Report-completed

Audit supports:

- Strong procurement governance
- Contract oversight
- Fiscal accountability
- Compliance with policies and procedures

Board Oversight:

- Monitor management action plans and implementation timeliness

Consulting Contracts

Next Steps:

- Results of the Consulting Contracts Audit will be **expanded** during 2026-2027 Procurement Audit, including a review of the vendor register and controls over vendor management.

Audit Follow-up:

- Monthly audit follow-up with the noted stakeholders will continue to be conducted.

Overall Conclusion:

- Assessment of controls was “fair” and some improvement needed.
- Need for documented business processes for management and oversight of contracts. *Refer to the next slide for details.*

Consulting Contracts

Audit Recommendations	Status
Lack of clear and consistent SOPs for use of Consultants	In progress
No documented standards for identifying the roles and responsibilities of Project Managers and no clear process for evaluating deliverables.	In progress
Hire qualified candidates eliminating the need for former employees and retirees serving as Consultants to train newly appointed Directors.	Ongoing

Employee Relations

Draft report has been completed **and is under review by the Audit Committee**

Audit can provide insight into:

- Application of standard operating procedures
- Current workplace practices
- Potential risks of inconsistent business practices
- Incomplete audit trails for investigations

Next Steps:

- Audit Committee review and discussion
- Finalization of recommendations and management action plans

District- Wide Risk Assessment

Project completed

Key Outcome:

- High risk areas were identified across District operations

Strategic Impact:

- Audit planning
- Oversight priorities
- Risk monitoring

Next Steps:

- Discuss results with the Audit Committee
- Incorporate high risks into 2026-2027 Audit Plan

District-Wide Risk Assessment

Results: Top Risk Themes contributing to the 2026-2027 Audit Plan

- Procurement
- Employee Timekeeping
- Data Protection
- Cybersecurity
- Employee Benefit Plans
- Employee Investigations and Reviews
- ERP Post System Implementation

Ethical Advocate: Hotline

- A Financial Fraud, Waste, and Abuse Hotline was requested by the Board.
- Ethical Advocate was selected as the vendor for this line.
- Status: In progress
- Target launch November 2026

Progress to Date:

- Project governance structure established
- Assigned Project Manager
- Milestone monitoring and accountability process implemented

Ethical Advocate Hotline

Strategic Benefits

It is anticipated that the Hotline will:

- Strengthen ethical reporting mechanisms
- Enhance fraud detection and prevention
- Improve transparency and accountability

Next Steps:

- Monitor pre-launch milestones, stakeholder communications, and post launch performance metrics

Questions and Answers

Internal Audit continues to provide independent, objective assurance and advisory services designed to strengthen governance, risk management and internal controls.

Q&A Session

Thank you!

Alice