



# Proposed Internal Audit Plan FY 2024-2025

## Proposed Internal Audit Plan FY 2024-2025 – Continued

### Proposed Internal Audits

#### 1. Information Technology – Internal Penetration Testing and Social Engineering

The District conducts annual external penetration testing, but internal penetration testing is limited to every two years, and social engineering testing is not performed. By increasing the frequency of internal penetration testing and introducing periodic social engineering testing, the District can identify vulnerabilities beyond those addressed by external testing, strengthening its preparedness against the dynamic and evolving landscape of cybersecurity threats.

#### 2. Information Technology – Incident Response Tabletop Exercise

An Incident Response Plan (IRP) is a proactive and collaborative strategy designed to improve an organization's preparedness for cybersecurity threats. An IRP should be conducted to validate the efficiency and effectiveness of emergency preparedness. Internal Audit will facilitate Tabletop exercises to assist team members in reviewing their responsibilities during an emergency.

#### 3. Human Resources – Extra Duty Pay

This proposed internal audit will focus on policy compliance, thorough documentation and record-keeping, authorization and approval processes, effective internal controls to prevent fraud, budgetary compliance, and transparent communication to ensure fairness and equal participation in extra duty assignments. The evaluation would further enhance transparency, compliance, and efficiency in allocating and managing extra duty pay within the District.

#### 4. Districtwide – Activity Funds Review

This proposed internal audit aims to assess the effectiveness of controls safeguarding activity funds in accordance with relevant regulations and District policies.

#### 5. Controller's Office – Asset Management

This proposed internal audit will assess the adequacy of internal controls related to recording, monitoring, reporting and safeguarding fixed assets. Scope will include asset additions, transfers, disposals, monitoring and tracking, recurring inventory counts and related reporting.

#### 6. Purchasing Services – ProCard Program

This internal audit will assess the Purchasing Services Department's management of the ProCard program, focusing on compliance with the ProCard Cardholder Contract and the Purchasing Manual. Given the high-risk nature of the ProCard program, as identified in the 2016 operational audit, and the incomplete implementation of recommended actions from the 2019 follow-up, the audit will evaluate the effectiveness of policies and review processes in preventing inappropriate purchases and identify areas needing attention and improvement.

#### 7. Districtwide – Timekeeping / Overtime

The internal audit will focus on timekeeping accuracy within HISD, a critical factor for organizational integrity and fair compensation, given the significant budget allocation for salaries in FY 2023-2024 (\$1.52B). Following the FY 2021 evaluation of Payroll Overtime, which identified five reportable observations, the audit will assess the effectiveness of internal controls and the recently implemented Time Clock Plus system, identifying potential issues.