# TUCSON UNIFIED
## SCHOOL DISTRICT

Bright

Futures

Begin

With

Great

Attendance! ❤

Missing

School

Missing

Out!

# STUDENT ATTENDANCE
*Internal Audit Report*

# Table of Contents

| Abbreviation | Definition |
|---|---|
| ADE | Arizona Department of Education |
| ADM | Average Daily Membership |
| AOI | Arizona Online Instruction |
| A.R.S. | Arizona Revised Statutes |
| ExEd | Exceptional Education |
| FERPA | Federal Educational Rights and Privacy Act |
| FTE | Full Time Equivalent |
| FY | Fiscal Year |
| IIA | Institute of Internal Auditors |
| IT | Information Tech |
| MRC's | Management Responses & Commitments |
| OIA | Office of Internal Audit |
| Parent Vue | Talent Education (software) |
| SPED | Special Education |
| TUSD | Tucson Unified School District |
| USFR | Uniform System of Financial Records |

# EXECUTIVE SUMMARY

The Office of Internal Audit (OIA) has completed performing the operational audit of the school attendance process for the Tucson Unified School District (TUSD), as scheduled in the Annual Audit Plan (AAP) for the 2023-2024 school year.

School attendance is a key responsibility performed district-wide by designated personnel at every site; this is commonly entrusted to the school Attendance Technician (AT), who receives support, guidance, and assistance from the school's Office Manager and Office Assistant.

ATs are full-time personnel and team members of the schools where they are employed. Their initial training, ongoing guidance/support, and professional development are provided by the Technology Services Department.

The district has two systems that support the recording of students' attendance: Synergy, used by the school's personnel, and Parent Vue, which facilitates a parent's communication with their child's school(s). Both systems are independent of each other and do not automatically upload or populate the entered communication between them.

The purpose of this audit was twofold:

1. To conduct a follow-up on the findings noted by the Arizona Department of Education (ADE) in their "Average Daily Membership Audit Report Tucson Unified School District Fiscal Year 2017, 2018, and 2019" issued on February 25, 2021.

2. To verify that the district's processes are operating as intended and that it is adhering to applicable policies and procedures related to student attendance, registration, and records.

Several objectives were developed and followed to assist with determining the efficiency, accuracy, and operational compliance of the student attendance and registration process.

For this audit, internal audit randomly selected twenty schools as the sample size. The findings presented herein were obtained through a combination of interviews, observations, document reviews, and cross-referencing analysis of the accessed data in ADE.

The scope of the audit was adjusted to focus on reviewing students' attendance for the current school year 2023/2024. This adjustment was necessary to prioritize quality over the quantity of available data and ensure the timely completion of this audit.

The observations for this audit have been classified in four categories, listed below in the order of their perceived risk. Detailed information can be found in the Observation section of this report.

1. System/Integrity of Data/Accessibility

2. Supervision, Internal Controls, and Segregation of Duties

3. Training/Retention Employee Onboarding and Orientation

4. Inconsistencies in Registration, Attendance, Tardiness, and Dropout Prevention

Excluded from this audit were student attendance for alternative education and Special Education.

BACKGROUND

The mission of the Tucson Unified School District (District) is "...in partnership with parents and the greater community, to assure each pre-K through 12th-grade student receives an engaging, rigorous, and comprehensive education. The District is committed to inclusion and non-discrimination in all District activities. At all times, District staff should work to ensure that staff, parents, students, and members of the public are included and welcome to participate in District activities."[1]

Arizona State Legislature, through its revised statues delineates the education requirements and obligations placed on school district through Chapter -15: Education, published in the Arizona Revised Statutes (A.R.S).

The Governing Board Regulation-JE-R: Student Attendance, captures the essential requirements delineated by the state.

The student attendance process at TUSD, in accordance with district policies and regulations, operates under the guidance of each school administrator. The responsibilities for recording, tracking, updating, and ensuring the accuracy of attendance lie in the efforts and due diligence of several school employees. The process is essential since each student represents a funding source for the district. Higher enrollment and attendance equate to greater funding for the district, and vice versa. While the concept appears to be straightforward, the process and applied methodology in achieving this seemingly simple task are unexpectedly and unexplainably more complex than expected.

The Department of Education provides funding for Full-Time Equivalent (FTE) students; the amount of funding varies based on the school level of each student. These funds are calculated by ADE using a formula based on the cumulative number of minutes, hours, and days of a fiscal year. Accurate documentation of students' attendance and their supporting documentation is essential for the district's funding.

The district uses a platform called Synergy, as explained by the District's Operating Guide (DOG), "Synergy is the District's Student Information System (SIS) providing the capabilities for registering students in courses, documenting grading via Gradebook, homework assignments, transcripts, student assessments, student schedules, attendance, and managing many other student-related data needs at our campuses. Synergy is also the source of student information which enables other applications to interface with and provide additional functionality such as Food Services, Student Finance – via Intouch, Parent Link, School City, Transportation, etc. Note: Parent Vue is the updated version of Parent Link. Additionally, information entered into Parent Vue does not auto-populate into the student's records in Synergy."[2]

As noted above, Synergy belongs to a category of software known as SIS. They use a web-based interface as opposed to other systems that have a Windows-based interface. This means that because the software is web-based, it can be accessed using a web browser like Internet Explorer, unlike a Windows-based interface, which is a separate program installed on a Windows-based computer.

## How Attendance Proceeds

On a daily basis, attendance generally follows the flow outlined below:
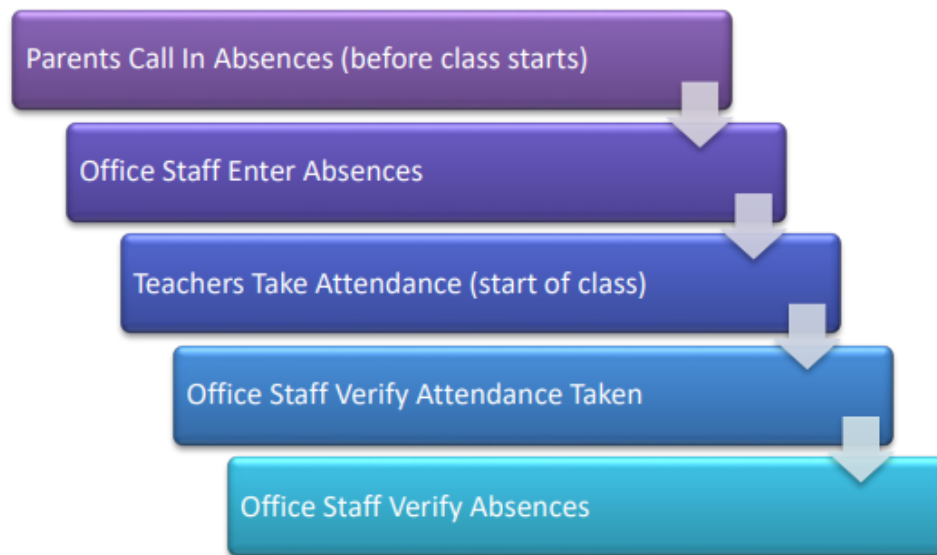


Synergy SIS Core Attendance   Figure 1 [3]

Student attendance is a collaborative effort involving teachers and the Attendance Technicians (ATs). After the bell rings, teachers mark attendance and verify the student presence by taking roll call in Synergy. The student attendance list is then posted within Synergy for viewing by the ATs and/or supporting staff in the administration office.

ATs manage and record late arrivals, requiring students or parents to sign the "Sing in/Sign out" form at the front desk to document their presence or early absence. The information from these forms is entered into Synergy to update the student's attendance records. Depending on the school site, attendance processes are conducted periodically or throughout the day.

The student attendance activities are managed, coordinated, and supported by the school site working as a team. Most schools provide initial and ongoing training, mentoring, professional development, and added support to the ATs, facilitated by the Technology Services (TS) Department.

## STATEMENT OF AUDITING STANDARDS

This audit followed the Institute of Internal Auditors (IIA) and applicable criteria, including but not limited to the following benchmarks, guidance, and standards: TUSD Policies and Regulations, Uniform System of Financial Records (USFR), Arizona Revised Statutes (A.R.S.), Arizona Department of Education (ADE), and the Department of Education (DOE).

## AUDIT PURPOSE, OBJECTIVES, AND METHODOLOGY

The purpose of performing an operational audit on the school attendance process was to:

1. Conduct a follow-up to verify that the audit findings listed in the provided audit report issued by the ADE on February 25, 2021, have been addressed and resolved.

2. Verify that the student attendance processes are following the applicable policies, procedures, and regulations, as required.

To assist in the overall assessment of the student attendance processes, twenty schools were randomly selected to fulfill the following audit objectives, developed to determine:

1. The accuracy of the district's recording of student attendance.

2. Compliance with policies, regulations, and applicable laws.

3. The effectiveness of the attendance tracking and recording system (Synergy).

4. Adequacy of internal controls and procedures.

5. Timeliness and accuracy of information being reported to ADE.

6. Efficacy of ATs training and professional development.

7. Integrity of Data being collected and retained.

8. Issues and opportunities through analyzing detected trends.

The above objectives were accomplished by conducting meetings with TS staff, meeting with ATs at their schools' sites, and collecting, analyzing, and reviewing stratified samples retrieved during site visits, which were then compared against Arizona Department of Education (ADE) records through their (AzEDS) portal.

## AUDIT SCOPE AND EXCLUSIONS

The audit scope was adjusted to focus on the current School Year (SY) 2023-2024, from August 3, 2023, through April 14, 2024. Excluded from this audit were alternative instruction methods, preschool students, and exceptional education students.

## GENERAL INTERNAL AUDIT DISCALIMER

All audits contain inherent limitations, such as mistakes caused by time, resources, human errors, potential fraud, illegal acts, or instances of noncompliance that go undetected. The reasons behind these risks are countless, including lack of resources, inadequate controls, changes in conditions, employees circumventing set processes, management overriding systems, changes in leadership, etc.

General Uniform System of Financial Records (USFR) – Introduction: "The Uniform System of Financial Records (USFR) has been developed by the Office of the Auditor General and the Arizona Department of Education pursuant to Arizona Revised Statutes (A.R.S.) §15-271. The USFR prescribes the minimum internal control policies and procedures to be used by Arizona school districts for accounting, financial reporting, budgeting, attendance reporting, and various other compliance requirements. These policies and procedures are in conformity with generally accepted practices and federal and state laws." [4]

Districts have the flexibility to implement alternative policies and procedures as long as they ensure the same level of internal control over accounting, financial reporting, and compliance with state and federal laws. The requirements outlined in the USFR are based on various legal sources including the Arizona Constitution, Arizona Revised Statutes, Arizona Attorney General Opinions, the Codification

of Governmental Accounting and Financial Reporting Standards by the Governmental Accounting Standards Board (GASB), Financial Accounting for Local and State School Systems 1990 issued by the United States Department of Education's Office of Educational Research and Improvement, relevant sections of the Code of Federal Regulations, and other federal mandates.[5]

## AUDIT OBSERVATIONS

I   Inconsistencies in : Student Records, Attendance (Excused/Unexcused), Withdrawal, and Dropout Prevention

CONDITION: Observations revealed inconsistencies in the district's registration processes, management of student attendance, processing of student withdrawals, and implementation of student dropout prevention measures.

- SUPPORTING EVIDENCE / OBSERVATIONS (INCLUDED, BUT IS NOT NECESSARILY LIMITED TO): The district is obligated to collect and maintain specific documents and information in each student's physical and/or electronic file.

Table -1: Summary of the analyzed sample.

| Required Student Documents | | | | | |
|---|---|---|---|---|---|
| Population Size:7908 | | | | | Sample Size: 420 |
| Reg. Form | Certified Copy of Student's Birth Certif. | Proof of Residence | Parent's ID | Immunization | Language Test (PHLOTE) |
| 62.26% | 60.70% | 56.90% | 57.70% | 41.30% | 46% |

- o   Inconsistent and/or Inefficient Processes:
    - ▪ Registration:
        - - PRESCHOOL: Some sites offer preschool programs (2.5 hours in the AM and PM) where preschool staff handle the registration of their new students. Unfortunately, the staff enrolling new students do not collect the required paperwork at the time of enrollment. ATs are then tasked with contacting parents of newly enrolled preschooler to obtain missing registration documents.
        - - Elementary through High School – Parents are encouraged to register their children online. One the child is registered ATs must follow up with parents to ensure required documents are obtained.
        - - Registration processes vary across sites: At some high school sites, registration is done by registration staff, while at other sites, it is handled by Attendance Technicians. Additionally, depending on the type of enrollment the site offers, some require parents to email their student's site Ambassador to enroll the child.

Certified Copies of Student's Birth Certificate:
- In the analyzed random sample, there were five I-94 forms. Three out of the five reviewed forms were missing the Federal stamp.

Proof of Residence:
- Collection and verification processes for this required document varied, with the following procedures shared by ATs:
  - ➢ Their diligence on obtaining the required copies to verify residence.
  - ➢ Other ATs mentioned that for returning students, they inquire whether they still reside at the same address as the previous school year. If yes, they state it was verified in the system and to not requesting further verification.

Immunization Records:
- Some sites include these records in the student files, while others stated that the immunization records were kept and maintained by the school nurse.
- One site has its nurse verify vaccines and collect current proof of residency; subsequently, the nurse scans the proof of immunization into the system and places it in the student's cumulative folder.

Language test (PHLOTE):
- Eight out of 87 forms found in student folders had English noted as the main language spoken at home. ATs stated if English was marked as the primary language in the form, it was not required to be filled; it would be considered a duplication of effort.

- **Supporting Evidence / Observations** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO): Interval From the 420 randomly selected student records, three different stratified samples of 40 records each were analyzed as follows:

Table-2: Summary of the analyzed samples

| Physical Student Attendance Forms | | Synergy Student Attendance | | ADE Reported Student Attendance | |
|---|---|---|---|---|---|
| Population Size: 7908 | | | | Sample Size: 420, reviewed 120 | |
| Exc. Absences Not Matched in Synergy | Un-Exc. Absences Not Matched to Synergy | Exc. Absences Not Matched in ADE | Un-Exc. Absences Not Matched in ADE | Absences Not Matched to Forms | Un-Exc. Absences Not Matched to Forms |
| 84% | 79% | 97% | 93% | 100% | 100% |

- **Student Attendance:**
  - Signed in/Sign-out forms were reviewed, which included two days from a randomly selected month of the current calendar year. These forms were used to compare the information entered in Synergy (i.e. reason entered in Synergy, attendance minutes, and attendance notes).
    - ➢ Matched records for excused absences were 19, and for Unexcused absences, were 25.
  - Students' attendance in Synergy were compared against the reported information to ADE (i.e. dates, type of absence/reason, and total sum of absences).
    - ➢ Matched records for excused absences were 4, and unexcused absences were 8.
  - Comparisons were made between student attendance on the Sign-in/Sign-out forms and ADE's information (i.e. students name, dates, and type of excuses).
    - ➢ No matching results were found.

- **Student referred to Dropout Prevention:**
  - Students with excessive absences are supposed to be referred to student retention (student equity and dropout prevention).
    - ➢ Of the analyzed sample, of 120 student records, only three contained comments in their student contact log noting the student had been referred to the Drop Out Prevention staff.

- **Added concerns:**
  - Chronic tardiness, high level of absences, no recorded involvement addressing the noted issues from administration, MTSS, or dropout prevention.
  - Declined attention to managing student's attendance after the 100th days.

- **Supporting Evidence / Observations** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO): Interval selection was used to retrieve 150 withdrawal forms, from which the following observations were made:

  - **Student Withdrawals:**
    - Forty-nine had the withdrawal code changed but no signature in the changed code section.
    - Twenty-two contained no signatures from the processor.

- One-hundred and twenty-five were signed by the AT processing the request.

- Three had Parent/Guarding signatures.

- Three of the forms had illegible signatures.

- Eight where missing the Withdrawal Type

- Four had no "Last Date" entered in the form.

- Sixteen had information whited out or crossed out without acknowledgment from the corrector.

- Some ATs stated they do not process 10-day withdrawals unless it is requested by the student's Parent/Guarding.

APPLICABLE CRITERIA (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):

o Policy-Code-JF -Student Admissions, states "Admissions of Resident Students Students seeking admission to the district and its instructional programs must satisfactorily meet all residency, age, immunization, and other eligibility prerequisites as established by Board policy and law.
Upon registration all new students shall be required to present:

- Proof of date of birth.
- Record of immunizations - Board Policy # JLCB - Immunizations of Students
- Proof of residency - Board Policy # JF-R - Student Admissions Regulation."[6]

o Arizona Revised Statutes, Title 15 – Education, *Chapter 8 – Article 1:* 15-803. School attendance; exemptions; definitions, states "

"A. It is unlawful for any child who is between six and sixteen years of age to fail to attend school during the hours school is in session, unless either:

1. The child is excused pursuant to section 15-802, subsection D or section 15-901, subsection A, paragraph 5, subdivision (c).

2. The child is accompanied by a parent, or a person authorized by a parent.

3. The child is provided with instruction in a homeschool.

B. A child who is habitually truant or who has excessive absences may be adjudicated an incorrigible child as defined in section 8-201. Absences may be considered excessive when the number of absent days exceeds ten per cent of the number of required attendance days prescribed in section 15-802, subsection B, paragraph 1.

C. For the purposes of this section:

1. "Habitually truant" means a truant child who is truant for at least five school days within a school year.

2. "Truant" means an unexcused absence for at least one class period during the day.

3. "Truant child" means a child who is between six and sixteen years of age and who is not in attendance at a public or private school during the hours that school is in session, unless excused as provided by this section."[7]

o 15-802- School instructions: exceptions; violations; classification; definitions, stated, "E. Unless otherwise exempted in this section or section 15-803, a parent of a child between six and sixteen years of age or a person who has custody of a child, who does not provide instruction in a homeschool and who fails to enroll or fails to ensure that the child attends a public, private or charter school pursuant to this section or fails to sign a contract to participate in an empowerment scholarship account pursuant to section 15-2402 is guilty of a class 3 misdemeanor. A parent who fails to comply with the duty to file an affidavit of intent to provide instruction in a homeschool is guilty of a petty offense."[8]

o Arizona Department of Education, School Finance Manual [G] Defining Excused Absences, states "If an absence occurs relating to any other term or condition that is not specifically designated herein, the absence shall be counted as unexcused. Students absent for ten consecutive school days, except for excused absences identified herein, shall be withdrawn from the school effective the last day of attendance or reported excused absence, pursuant to A.R.S. § 15-901(A)."[9]

EFFECT / POTENTIAL RISK (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):

o Student attendance is the district's main funding source. Inaccuracies could result in the district having to refund monies received due to poor substantiating evidence of student attendance.

o The current student attendance process is inefficient and prone to errors. This results in inconsistencies between the physical methods being used to record these tasks and the actual entries made into Synergy. As a result of these discrepancies the district might loss or have to refund monies to ADE.

o Lack of involvement and proactive measure to address students' attendance, including tardiness, may result in higher drop-out and withdrawal rates, which will decrease:

▪ Students' learning progress and potentially affect their chances of graduating.

▪ Decrease the school's enrollment and retention, impacting their overall funding.

RECOMMENDATIONS:
- o Re-evaluate the student attendance process.
- o Enlist school administrators, and available support to proactively address student's attendance, chronic tardiness, withdrawals, and drop-outs.

## II. System, Integrity of Data, and Accessibility

CONDITION: ATs and selective office staff have accesses and rights in Synergy to view and modify; student's information; they are not limited to their designated school.

- SUPPORTING EVIDENCE / OBSERVATIONS (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
  - o Several AT shared and demonstrated their ability to access, view, and -if necessary- modify student's information at other school sites.
  - o Some fields in the Synergy system were found to not be locked, as intended, in a read only access. While it was noted by the auditee that the entered changes do not get saved, the fields should not be interactive in true read-only access.
    - Example: Highlighted areas in the image form Synergy's "Daily Attendance."
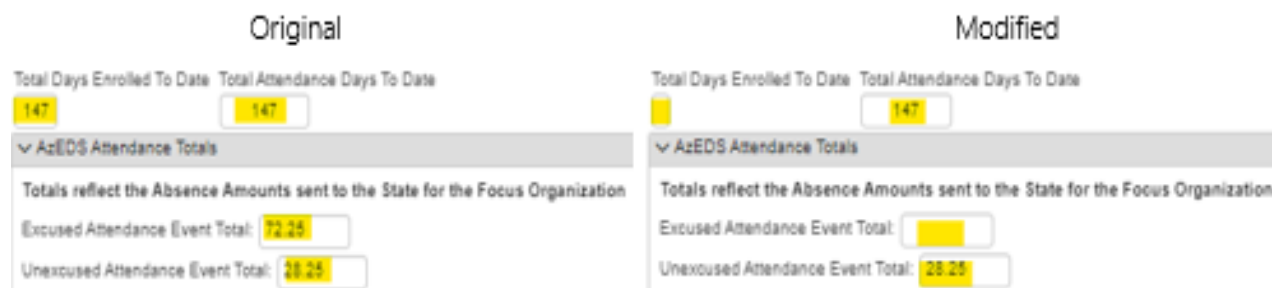


  - o Potential glitch within Synergy:
    - When registering a student, even minor changes, triggers the system to start over.
    - The Parent Vue portal permitted the entrance and recording of extended attendance, in advance, exceeding the system's parameters.
    - Parents may excuse their child two weeks in advance through Parent Vue and update absences to excused for up to the previous three days.
      - Example: Two different ATs, at different school sites, shared that one user had 56 entries.
      - Two families had entered attendance for the whole year.
    - Parent Vue does not auto-populate information entered by the parent into the corresponding student's file.
    - There are no notifications/alerts to inform the ATs that there are parent messages in the system.

- Several ATs shared that they could sign in, through Parent Vue, as the parent of any students.

**APPLICABLE CRITERIA** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):

- o System Controls: Global Technology Audit Guide (GTAG) – Auditing Application Controls.

  GTAG: "Application controls that pertain to the scope of individual business processes or application systems, including data edits, separation of business functions, balancing of processing totals, transaction logging, and error reporting. Therefore, the objective of application controls is to ensure that:

  - Input data is accurate, complete, authorized, and correct.
  - Data is processed as intended in an acceptable time period.
  - Data stored is accurate and complete.
  - Outputs are accurate and complete.
  - A record is maintained to track the process of data from input to storage ad to the eventual output." [10]

- USFR: Information Technology – Internal Controls –

  - "Application Controls: Application controls are manual or programmed activities intended to ensure the completeness and accuracy of records and the validity of entries made into business computer systems. They are embedded in business process applications and include checks over completeness, accuracy, validity, authorization, and separation of duties.

    - 1. Completeness checks help ensure all records were processed from initiation to completion (i.e., provide reasonable assurance that all transactions that occurred are input into the system), accepted for processing, processed in accordance with system requirements, and properly included in output...

    - 2. Accuracy checks provide reasonable assurance that transactions are properly recorded with correct information, data elements are processed correctly by applications, reliable results are achieved, transactions detected with errors are controlled to ensure that they are corrected and reentered in a timely manner, and output is reviewed and control information is reconciled to determine whether errors occurred during processing.

    - 3. Validity checks help ensure that a program operates on clean, correct, and useful data by checking for correctness, meaningfulness, and security of data that is input into the system. The simplest data validation verifies that the characters provided come from a valid set...

    - 4. Authorization checks help ensure that only approved users have access...

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- 5. Separation of duties helps ensure that checks are in place to prevent fraud and errors by separating the tasks and associated privileges for a specific business process among multiple users. These controls include policies, procedures, and an organizational structure established so that one individual cannot control key aspects of computer-related operations and thereby conduct unauthorized actions or gain unauthorized access to assets or records." [11]

EFFECT / POTENTIAL RISK  (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):

- Undetected modifications of student information without knowledge of the designated users.
- Diminished reliability and integrity of information.
- Increased likelihood of undetected errors and /or omissions.
- Added scrutiny on Synergy's information due to inadequate system controls.

RECOMMENDATION(S):

- ○ Contact Synergy
    - Request additional security controls to limit access rights regarding field that can be modified by undesignated staff.
    - Request for a detection analysis to be performed to detect interactive fields on read only permissions.

## III. Segregation of Duties, Internal Controls, and Supervision

CONDITION: No supervision, internal controls, or segregation of duties were observed to verify that activities being performed are done correctly and in a timely manner.

- SUPPORTING EVIDENCE / OBSERVATIONS: (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
    - ○ Segregation of Duties and Internal Controls:
        - The ATs perform a variety, some that should be segregated, to ensure effectiveness, efficiency, and quality of the process.
            - Example: Registering a student, they fill out the registration form - if not filled on line-, enter the information into Synergy, attest that the information received is correct, maintain the student's file, fulfill request for student's information and student withdraws/dropouts, and transfers, manage/maintain cumulative records, convert cumulative records to permanent records, purge student's files, and prepare request for destruction of student records.
        - ATs manage and update student's attendance, verify teacher's class attendance, enter the information communication from various sources

regarding student's absences/tardiness in Synergy. Daily sign-in sheets are managed by the AT who collects, verified, filed, and ensure their retention for the length required by the state. .

- Additionally, ATs run daily, weekly, and other periodic reports to manage adequate reporting to ADE. Correction and errors detected in reviewed reports are commonly processed by the ATs in Synergy. Data from Synergy is used to report the district's attendance to ADE.

- The main focus and duties entrusted to the ATs are student attendance; however, their duties and additional responsibilities varied depending on their designated school. Some ATs were observed performing duties that deviated from their intended focus, such as:
  - Managing the Red Rover Substitute Teacher line,
  - Receiving deliveries/pick up from vendors,
  - Coordinating field trips, transportation, and parent volunteers,
  - Opens exterior school gates,
  - Performing school tours,
  - Walking and setting up substitute teachers,
  - Overseeing students placed in time-out, etc.

o Supervision
- Lack of supervised on duties being performed regarding the student attendance process, includes, but were not limited to:
  - Reviewing and verifying the accuracy of students' attendance prior to being submitted to ADE.
    - ➢ Robo Calls go out 2 hours after the school bell rings. Several of the ATs commented that there was not sufficient time, to update the teacher's attendance, enter students from the sign-in/sign-out form, check messages in Parent Vue, emails, and voice messages in the dedicated line, while continuing to attend walk-ins, prior to the automated system calling parents informing them of their child's absence.
  - Ensuring processed registrations and collection/uploading of required documents were received in a timely manner.
  - Filing student withdraw requests, properly filling out forms, changes, updates, and removing students from the school system.
  - Not withdrawing students with 10 consecutive absences.
  - Processing requests for student transfers and/or drop out.

- Managing cumulative files information, and the purging of documents to convert student folders into permanent files.

- Issuing the request for selected records to be destroyed.

- Limiting distractions and added tasks, such as:

  ➢ Covering or performing Community Liaison duties, delegating activities to assist with 21st. century academic enrichment, etc.

APPLICABLE CRITERIA: (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):

- Segregation of Duties:
  - The USFR guidelines are being used to address the relatable segregation of duties.
    - While USFR does not delineate an employee performing two roles in the same department, it does provide guidance to segregating duties.

    - "USFR: Accounting Procedures – Introduction – "An effective accounting system can also help safeguard district assets from fraud, theft, or misuse. Accounting system policies and procedures formally documented and adopted by the governing board should provide separation of responsibilities, adequate internal checks and balances, and sufficient records to support financial transactions.

      Responsibilities should be assigned to specific departments, if applicable, and adequately separated within departments so that one individual does not have complete authority over an entire financial transaction or process.

      Districts should also periodically rotate responsibilities among employees when practical and require employees who process financial transactions to take vacation time and have another employee perform their responsibilities.

      - If adequate separation of responsibilities is not possible because of a district's limited staff size, district management should implement review procedures at appropriate points in the process to compensate for employees performing incompatible functions.

    - The policies, procedures, and recordkeeping methods described throughout the Accounting Procedures section provide an effective accounting system and control environment for districts...."[12]

    - Pursuant to A.R.S. § 15-901(A) "Students absent for ten consecutive school days, except for excused absences identified within the guidance, shall be withdrawn from the school effective the last day of attendance or reported excused absence" [13]

EFFECT / POTENTIAL RISK (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):

- Numerous activities are being performed by the AT staff, continuous multitasking increases the opportunities for errors, diminishes the intended focus, effectiveness, and efficiency of the student attendance process.

- Processes that are performed with minimal internal controls, segregations of duties, and supervision, have a high risk of not performing as intended. This results in unreliable data that could result in funds being reimbursed to the ADE.

- Added time and expenses to find and correct omissions/errors.

- Undetected and ongoing mistakes in students' records.

RECOMMENDATIONS:

o Review current ATs processes and determine areas in which adequate review of tasks may be implemented.

o Ensure the student attendance process follows the required segregations of duties as stated in applicable policies and procedures.

## IV. Training and Records Retention

**Condition:** Student records and information is being retained longer than required by the state of records retention.

o Provided responses from ATs to the length of time specific student records are required to be kept by the district were as follows:
   - Attendance forms (sign-in/out sheets): 1 - 6 months, 2, 4, 5 years
   - Withdraw/transfer/requests & forms: Only for the school year, 2 through 5 years.
   - Immunization records: Stated they were kept for: 3, 4, 5 years, some said forever.
   - Inactive files from withdraws, including 10-day drop, or no-show documents: Transferred so zero, for the school year, 4 years, forever.
   - Items in their permanent file: 2 through 5 years, forever.
   - All twenty schools were found to be behind on their filing and destruction of non-permanent documents.

o Student's folders were missing required documents:
   - Some student folders were found to be missing essential documents:
     - *Refer to Table 1 on page 4 of this report.*

- There was no consistency regarding what documents were kept in the physical folder vs. which were kept in the system, resulting in incomplete files in both, the physical and electronic files.
- Two of the twenty sites filed their cumulative and permanent student folder using the student's date of birth rather than the alphabetical method.
- Most Permanent files were found to have content not required to be retained.

APPLICABLE CRITERIA: (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):

o Governing Board Policy-Code-GA: Personnel Goals/Priority Objectives, states, "The Board recognizes that dynamic and efficient staff members dedicated to education are necessary to maintain a constantly improving educational program. The Board is interested in its personnel as individuals, and it recognizes its responsibility for promoting the general welfare of the staff members.

Duties of these staff members shall be outlined and assigned by the Superintendent.

- Additionally, the Board establishes, as personnel service goals, the following:
- Recruiting, selecting, and employing the best-qualified personnel to staff the school system.
- An employee appraisal program (evaluation) that will contribute to the continuous improvement of staff performance.
- Professional development and in-service training programs for employees that will improve their rates of performance and retention.
- Deployment of the available personnel to ensure that they are utilized as effectively as possible within budgetary constraints.
- Human relationships necessary to obtain maximum staff performance and satisfaction.

o A staff compensation program sufficient to attract and retain qualified employees within the fiscal limitations of the District."[14]

o The Arizona State Library, Archives and Public Records – "General Retention Schedule" applicable to the following record retention timelines [15]

**General Records Retention Schedule Issued to:**     **Schedule Number: GS-1074 Rev. 2**
**All Arizona School Districts and Charter Schools**
**Student Records**

| Record Series Number | Record Series Title | Retention Period | Retention Remark | Legal Citation(s) | Approval Date |
|---|---|---|---|---|---|
| 21184 | **Access and Release Records** | 4 Years | After fiscal year of last attendance. | | 8/30/2011 |
| 21175 | **Daily Attendance Records** <br> Attendance records for the school, and not individual student attendance records. This series includes student sign in/out logs. | 4 Years | After fiscal year created or received. | | 8/30/2011 |
| 21175 | **Daily Attendance Records** <br> Attendance records for the school, and not individual student attendance records. This series includes student sign in/out logs. | 4 Years | After fiscal year created or received. | | 8/30/2011 |
| 21179 | **Excused Absence Records** | 4 Years | After fiscal year created or received. | | 8/30/2011 |
| 21185 | **Grade Records** <br> Class grade books, not individual student's grades. | 2 Years | After grades transferred to permanent student records. | | 8/30/2011 |
| 21202 | **Registration Records for Registrant Who Never Attended School** <br> Items submitted for enollment. Items includes but is not limited to: Parent/Guardian to birth certificate, or proof of identity/age documents, proof of residence, immunization record, court custody records, IEP/504/Gifted documents, previous school withdrawal forms, and previous home language other than English (PHLOTE) form. | 4 Years | After fiscal year created or received. | | 2/7/2020 |
| 21176 | **School Registers** | 4 Years | After fiscal year created or received. | | 8/30/2011 |
| 21186 | **Standardized Test Score Sheets** <br> Including AIIMS. | 3 Years | After scores transferred to permanent student records. | | 8/30/2011 |
| 21187 | **Student Records: Activities** <br> Including extracurricular activities, awards, recommendations, and other related records. | 4 Years | After fiscal year of last attendance. | | 8/30/2011 |
| 21193 | **Student Withdrawal Notices** | 4 Years | After fiscal year of withdrawal. | | 8/30/2011 |
| 21206 | **Student Records: Non-permanent, All Other** | 4 Years | After fiscal year of last attendance. | | 8/30/2011 |
| 21194 | **Student Records: Permanent** <br> Including personal identifying information (name, student identification number, etc.), transcript of final grades, summary of attendance, and standardized test scores. | Permanent | Preserve pursuant to A.R.S. § 39-101. | A.R.S. § 39-101 | 8/30/2011 |
| 21190 | **Immunization Records** <br> Card specified by Department of Health Services. | Permanent | Preserve pursuant to A.R.S. § 39-101. | A.R.S. § 39-101 | 8/30/2011 |

EFFECT / POTENTIAL RISK (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):

- Overwhelming activities are being performed by the AT staff, continuous multitasking increases the opportunities for errors, diminishes the intended focus, effectiveness, and efficiency of the student attendance process.

- Processes that are performed with minimal internal controls, segregations of duties, and supervision, have a higher risk of not operating as intended; this could lead to entering unreliable data that could result in monies being reimbursed to the ADE, in addition to added expenses to correct non-compliance issues.

- Undetected and unknowns recording and reporting mistakes.

- Added time and resources to correct errors.

- Inaccurate records.

- Non-compliance with regulations.

    - A) Violation of managing public records, is potentially a class 2 misdemeanor.
    - Potential fines and penalties.
    - Exposed liability

RECOMMENDATIONS:

a. Provide ongoing training on record retention and guidelines.
b. Establish and maintain a retention schedule as stipulated by the State of Arizona's General Record Retention Schedule.

CONCLUSION

The purpose of this audit was twofold: firstly, to conduct a follow-up audit and verify the correction of the listed observations in the audit report issued by the ADE, dated February 25, 2021. Secondly, to assess the efficiency and effectiveness of the student attendance processes, procedures, and practices.

The audit objectives were designed to assist in reviewing the overall activities performed to manage student attendance, including their reporting, accuracy of records, reliability of information, and overall operation. These objectives were achieved by conducting meetings with staff at randomly selected schools, reviewing information, and comparing the retrieved information against the data provided to the ADE.

Based on the analyzed samples, the observations listed in the ADE's report remain unresolved. The findings from the ADE's report will be merged with the findings from this internal audit and addressed as a unified concern in a single report during upcoming follow-up audits, until they are rectified and confirmed.

Considering the observed practices and reviewed documentation of the student attendance process, the Office of Internal Audit cannot provide reasonable assurances to the Governing Board on the student attendance procedures.

During the exit meeting, internal audit was informed that there are some changes in progress to address and improve the observed practices of the attendance process. While future resolutions offer valuable insights, until they are implemented, the current process remains uncorrected and permits further errors in students' records.

## Acknowledgment

The office of internal audit wishes to express its appreciation to the TS department for their assistance and cooperation during this audit.

Preliminary report No. 004-SY 2023-2024 was provided to the Superintendent and staff, Legal Counsel, Auditee(s), the Audit Committee, and Governing Board Liaison.

The final internal audit report is scheduled to be e-mailed to the Governing Board on April 30, 2024.


*Martha Smith*          4/15/2024
Martha Smith                    Date
Internal Auditor

REPORT DISTRIBUTION

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AUDIT COMMITTEE
• Mr. Oberg, Chair • Mr. Cavanaugh, Co-Chair, • Mr. Wiegandt, • Mr. Blackshire

# REFERENCES

1.  Policy Code A: Foundation and Basic Commitments: "The Districts' mission, in partnership with parents and the grater community, is to assure each pre-K through 12th grade student receives an engaging, rigorous and comprehensive education. The District is committed to inclusion and non-discrimination in all District activities." Reviewed on 1.3.23, Retrieved on 10.15.23, from http://govboard.tusd1.org/Policies-and-Regulations/Policy-Code-A

2.  Synergy – Synergy is the District's Student Information System (SIS) providing the capabilities for registering students in courses, documenting grading via Gradebook, homework assignments, transcripts, student assessments, student schedules, attendance, and managing many other student-related data needs at our campuses. Synergy is also the source of student information which enables other applications to interface with and provide additional functionality such as Food Services, Student Finance – via Intouch, Parent Link, School City, Transportation, etc.2 Note: Parent Vue is the updated version of Parent Link. Additionally, information entered into Parent Vue does not auto-populate into the student's records in Synergy. https://tusd1.sharepoint.com/sites/TUSDSynergySupport/Shared%20Documents/CoreSISAttendance.pdf?csf=1&e=u35SVD&cid=774ed33c-14c1-48f8-aabc-a8ec74639ab4

3.  Synergy -SIS Image: https://tusd1.sharepoint.com/sites/TUSDSynergySupport/Shared%20Documents/CoreSISAttendance.pdf?csf=1&e=u35SVD&cid=774ed33c-14c1-48f8-aabc-a8ec74639ab4

4.  Uniform System of Financial Records (USFR) – "Introduction – The Uniform System of Financial Records (USFR) has been developed by the Office of the Auditor General and the Arizona Department of Education pursuant to Arizona Revised Statutes (A.R.S.) §15-271. The USFR prescribes the minimum internal control policies and procedures to be used by Arizona school districts for accounting, financial reporting, budgeting, attendance reporting, and various other compliance requirements. These policies and procedures are in conformity with generally accepted practices and federal and state laws." https://www.azauditor.gov/sites/default/files/USFR102323.pdf

5.  USFE – "Districts may use alternative policies and procedures if they provide the same level of internal control over accounting, financial reporting, and compliance with state and federal laws. The requirements of the USFR are based on the Arizona Constitution; Arizona Revised Statutes; Arizona Attorney General Opinions; the Codification of Governmental Accounting and Financial Reporting Standards, published by the Governmental Accounting Standards Board; Financial Accounting for Local and State School Systems 1990, issued by the United States Department of Education, Office of Educational Research and Improvement; relevant sections of the Code of Federal Regulations; and other federal mandates." Reviewed 10.20.23. Retrieved: 10.20.23 from USFR, Accounting Procedures, 12/96. I-1. https://www.azauditor.gov/sites/default/files/USFR102323.pdf

6.  Governing Board: Policy-Code-JF -Student Admissions -Admissions of Resident Students - Students seeking admission to the district and its instructional programs must satisfactorily meet all residency, age, immunization, and other eligibility prerequisites as established by Board policy and law.

    Upon registration all new students shall be required to present:

Proof of date of birth.
Record of immunizations - Board Policy # JLCB - Immunizations of Students
Proof of residency - Board Policy # JF-R - Student Admissions Regulation.
https://govboard.tusd1.org/Policies-and-Regulations/Policy-Code-JF

7.  **Arizona Revised Statutes, Title 15 – Education,** *Chapter 8 – Article 1:* 15-803. <u>School attendance;</u> <u>exemptions; definitions, "</u>A. It is unlawful for any child who is between six and sixteen years of age to fail to attend school during the hours school is in session, unless either:

    1.  The child is excused pursuant to section 15-802, subsection D or section 15-901, subsection A, paragraph 5, subdivision (c).

    2.  The child is accompanied by a parent, or a person authorized by a parent.

    3.  The child is provided with instruction in a homeschool.

    B.  A child who is habitually truant or who has excessive absences may be adjudicated an incorrigible child as defined in section 8-201. Absences may be considered excessive when the number of absent days exceeds ten per cent of the number of required attendance days prescribed in section 15-802, subsection B, paragraph 1.

    C.  For the purposes of this section:

    1.  "Habitually truant" means a truant child who is truant for at least five school days within a school year.

    2.  "Truant" means an unexcused absence for at least one class period during the day.

    3.  "Truant child" means a child who is between six and sixteen years of age and who is not in attendance at a public or private school during the hours that school is in session, unless excused as provided by this section. https://www.azleg.gov/arsDetail/?title=15

8.  **A.R.S. § 15-802-** School instructions: exceptions; violations; classification; definitions, stated, "E. Unless otherwise exempted in this section or section 15-803, a parent of a child between six and sixteen years of age or a person who has custody of a child, who does not provide instruction in a homeschool and who fails to enroll or fails to ensure that the child attends a public, private or charter school pursuant to this section or fails to sign a contract to participate in an empowerment scholarship account pursuant to section 15-2402 is guilty of a class 3 misdemeanor. A parent who fails to comply with the duty to file an affidavit of intent to provide instruction in a homeschool is guilty of a petty offense.
    https://www.azleg.gov/viewdocument/?docName=https://www.azleg.gov/ars/15/00802.htm

9.  **Arizona Department of Education (ADE),** School Finance Manual [G] Defining Excused Absences, states "If an absence occurs relating to any other term or condition that is not specifically designated herein, the absence shall be counted as unexcused. Students absent for ten consecutive school days, except for excused absences identified herein, shall be withdrawn from the school effective the last day of attendance or reported excused absence, pursuant to A.R.S. § 15-901(A). https://www.azed.gov/assessment/parents

10. **Global Technology Audit Guide (GTAG)** – Auditing Application Controls – "Application controls that pertain to the scope of individual business processes or application systems, including data edits, separation of business functions, balancing of processing totals, transaction logging, and error reporting. Therefore, the objective of application controls is to ensure that:

    Input data is accurate, complete, authorized, and correct.

    Data is processed as intended in an acceptable time period.

    Data stored is accurate and complete.

    Outputs are accurate and complete.

    A record is maintained to track the process of data from input to storage ad to the eventual output....

    Access Controls - ...In most cases, the user and administrative access rights (e.g., read, write, and delete) are built using the inherent security platform and tools within the application. The strategies employed to determine which logical access rights will be assigned to user vary from a need-to know basis to a need -to-withhold basis. Regardless , the access rights should be granted based on the suer's job functions and responsibilities..." Retrieved on 1.12.24, from: https://nextstepac.com/wp-content/uploads/2018/06/GTAG8.pdf.

    Accounting Procedures – Introduction, ""USFR: Accounting Procedures – Introduction – "An effective accounting system can also help safeguard district assets from fraud, theft, or misuse. Accounting system policies and procedures formally documented and adopted by the governing board should provide separation of responsibilities, adequate internal checks and balances, and sufficient records to support financial transactions." Retrieved on 12.25.23 from USFR, Accounting Procedures, 5/12. VI-A. Reviewed 10.20.23. Retrieved on: 10.20.23 from https://www.azauditor.gov/sites/default/files/USFR102323.pdf

11. **USFR:** Information Technology – Internal Controls Application controls are manual or programmed activities intended to ensure the completeness and accuracy of records and the validity of entries made into business computer systems. They are embedded in business process applications and include checks over completeness, accuracy, validity, authorization, and separation of duties.

    1. Completeness checks help ensure all records were processed from initiation to completion (i.e., provide reasonable assurance that all transactions that occurred are input into the system), accepted for processing, processed in accordance with system requirements, and properly included in output. The most commonly encountered controls for completeness include the use of record counts and control totals, computer sequence checking, computer matching of transaction data with data in a master or suspense file, and checking of reports for transaction data.

    2. Accuracy checks provide reasonable assurance that transactions are properly recorded with correct information, data elements are processed correctly by applications, reliable results are achieved, transactions detected with errors are controlled to ensure that they are corrected and reentered in a timely manner, and output is reviewed and control information is reconciled to determine whether errors occurred during processing.

3. Validity checks help ensure that a program operates on clean, correct, and useful data by checking for correctness, meaningfulness, and security of data that is input into the system. The simplest data validation verifies that the characters provided come from a valid set. For example, telephone numbers should include the digits and possibly the dash, and left and right parentheses. A more sophisticated data validation routine would check to see that the user had entered a valid country code (i.e., that the number of digits entered matched the convention for the country or area specified).

4. Authorization checks help ensure that only approved users have access to the application system and that data is properly authorized before it is entered or accepted into the system.

5. Separation of duties helps ensure that checks are in place to prevent fraud and errors by separating the tasks and associated privileges for a specific business process among multiple users. These controls include policies, procedures, and an organizational structure established so that one individual cannot control key aspects of computer-related operations and thereby conduct unauthorized actions or gain unauthorized access to assets or records." Reviewed on 1.15.24. Retrieved on, 10.20.23 from 1.15.24 USFR. Accounting Procedures, Property Control. (12/11). IX-6. https://www.azauditor.gov/sites/default/files/USFR102323.pdf

12. **USFR**: Accounting Procedures – Introduction **–** "An effective accounting system can also help safeguard district assets from fraud, theft, or misuse. Accounting system policies and procedures formally documented and adopted by the governing board should provide separation of responsibilities, adequate internal checks and balances, and sufficient records to support financial transactions.

    Responsibilities should be assigned to specific departments, if applicable, and adequately separated within departments so that one individual does not have complete authority over an entire financial transaction or process. Districts should also periodically rotate responsibilities among employees when practical and require employees who process financial transactions to take vacation time and have another employee perform their responsibilities. If adequate separation of responsibilities is not possible because of a district's limited staff size, district management should implement review procedures at appropriate points in the process to compensate for employees performing incompatible functions.

    The policies, procedures, and recordkeeping methods described throughout the Accounting Procedures section provide an effective accounting system and control environment for districts. Specific controls should be tailored to each district's needs, and alternative procedures may be used if they provide at least the same level of internal control. See §IX, Information Technology, for information regarding general and application  controls for automated systems." Reviewed on 1.10.2024 Retrieved on: 10.20.23 from https://www.azauditor.gov/sites/default/files/USFR102323.pdf

13. **A.R.S.** § 15-901(A) "Students absent for ten consecutive school days, except for excused absences identified within the guidance, shall be withdrawn from the school effective the last day of attendance or reported excused absence." https://www.azleg.gov/viewdocument/?docName=https://www.azleg.gov/ars/15/00901.htm

14. **Governing Board Policy**- Governing Board Policy-Code-GA: Personnel Goals/Priority Objectives, states, "The Board recognizes that dynamic and efficient staff members dedicated to education

are necessary to maintain a constantly improving educational program. The Board is interested in its personnel as individuals, and it recognizes its responsibility for promoting the general welfare of the staff members.

Duties of these staff members shall be outlined and assigned by the Superintendent. Additionally, the Board establishes, as personnel service goals, the following:

Recruiting, selecting, and employing the best-qualified personnel to staff the school system.

An employee appraisal program (evaluation) that will contribute to the continuous improvement of staff performance.

Professional development and in-service training programs for employees that will improve their rates of performance and retention.

Deployment of the available personnel to ensure that they are utilized as effectively as possible within budgetary constraints.

Human relationships necessary to obtain maximum staff performance and satisfaction.

A staff compensation program sufficient to attract and retain qualified employees within the fiscal limitations of the District." https://govboard.tusd1.org/Policies-and-Regulations/Policy-Code-GA.

15. **ARIZONA STATE LIBRARY, ACHIEVES AND PUBLIC RECORDS, SCHEDULE NUMBER: ( GS— 21179...)** – General Retention Schedule Created for: Public School Districts and Charter Schools. HTTPS://AZLIBRARY.GOV/SITES/DEFAULT/FILES/ALL_GENERAL_SCHEDULES_SEARCHABLE.PDF. RECORD SERIES NUMBER: 20706.

## GLOSSARY

**Accounting** – "Manages the District-wide budget development, monitoring and reporting." DOG -Assets – Pg. 1. https://tusd1.sharepoint.com/sites/EmployeeNetwork/Shared%20Documents/DOG.pdf

**Average Daily Membership (ADM):** "Is defined as "the total enrollment of fractional students and full-time students, minus withdrawals, of each school day through the first one hundred days or two hundred days in session, as applicable, for the current year." A.R.S. § 15-901(A)(2). It is part of a complex formula to determine funding for public schools. A.R.S. §§ 15-901, -902. ADM is calculated differently for high schools and common (elementary) schools because the definitions for fractional and full-time students vary depending on the type of school.(2) These definitions contain very specific requirements, including, but not limited to, annual hours of instruction, required number of subjects, and the parameters for instructional time.(3) A student's enrollment, or ADM, must be reported to the Department in accordance with A.R.S. § 15-902(I). The ADM calculation is used to determine state aid for public schools. A.R.S. § 15-902.... *Compare* A.R.S. § 15-901(A)(1), (A)(6) (governing average daily attendance) *with* § 15-901(A)(2) (governing ADM). A student who is enrolled full time in a high school may be in attendance or absent for all or part of a day, and this information must be reported to the Department. A.R.S. § 15-902(I), (J).... If absences reach a certain statutory threshold, the ADM of a school district or charter school is adjusted using a statutory formula. A.R.S. § 15-902. Absences for a unified school district are deemed excessive when "[ADM] through the first one hundred days . . . in session . . . of the current year has exceeded the average daily attendance through the first one hundred days . . . of the current year by more then six per cent." A.R.S. § 15-902(A). Absences for a high school district are deemed excessive when ADM through the first 100 days in session for the current year exceeds the average daily attendance through the first 100 days in session of the current year by more than 8.5 percent. A.R.S. § 15-902(B). The adjustment of ADM may result in a loss of student funding. A.R.S. § 15-902.... **Arizona law provides for alternative methods of reporting daily attendance to the Department. If a high school student is enrolled full time, Arizona** law provides for two methods for calculating of daily attendance.(4) Section 15-901(A)(6)(d) states that

> [f]or high schools or ungraded schools in which the pupil is at least fourteen years of age by September 1, the *attendance* of a pupil *shall not be counted as a full day unless the pupil is actually and physically in attendance* and enrolled in and carrying four subjects, each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty hours a year, or the equivalent, that count toward graduation in a recognized high school *except as provided in* section 15-797 and *subdivision (e) of this paragraph*. Attendance of a pupil carrying less then the load prescribed shall be prorated. https://www.azag.gov/opinions/i09-006-r09-005

**American Institute of Certified Public Accountants:** "Is the national professional organization of Certified Public Accountants in the United States, with more than 418,000 members in 143 countries in business and industry, public practice, government, education, student affiliates and international associates." https://www.aicpa.org/

**Assets:** "Things you own. These can be cash or something you can convert into cash such as property, vehicles, equipment, and inventory." https://business.gov.au/finance/financial-tools-and-templates/key-financial-terms

**Assurance Services** – "An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Examples may include financial, performance, compliance, system security, and due diligence engagements." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

**Audit Committee** – "A committee of the board charged with recommending to the board the approval of auditors and financial reports." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

**Audit Observations** – "Any identified and validated gap between the current and desired state arising from an assurance engagement." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

**Audit Sampling** – "The application of an audit procedure to less than 100 percent of the items in a population for the purpose of drawing an inference about the entire population." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

**Best Practice** - "A procedure that has been shown by research and experience to produce optimal results and that is established or proposed as a standard suitable for widespread adoption." Defined by Merriam Webster

**Criteria -** "The standards, measures, or expectations used in making an evaluation and/or verification of an observation (what should exist)." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

**Compliance** – "Adherence to policies, plans, procedures, laws, regulations, contracts, or other requirements." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

**Condition** – "The factual evidence that the internal auditor found in the course of the examination (what does exist)." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

**Control** – "Any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goal will be achieved." https://www.theiia.org/

**Cost Benefit Analysis** –" It is a process used to make decisions. It takes into account both quantitative and qualitative factors for analysis of the value for money for a particular project or investment opportunity. Benefits to costs ratio and other indicators are used to conduct such analyses. The objective is to ascertain the soundness of any investment opportunity and provide a basis for making comparisons with other such proposals." https://economictimes.indiatimes.com/definition/cost-benefit-analysis

**Due Diligence** – "Due diligence is the process of obtaining and reviewing documentation to verify that the procuring entity procured contracts pursuant to the School District Procurement Rules and determining that the contract price and terms are favorable to the district to receive the best value for the good or service desired.

Whether administering or purchasing from a cooperative purchasing agreement, districts are responsible for ensuring that procurements are done in accordance with School District Procurement Rules." Defined by HG Legal Resources https://www.hg.org/legal-articles/what-is-the-relevance-of-industry-standards-under-the-law-36794

**Effect** - "The risk or exposure the organization and/or others encounter because the condition is not consistent with the criteria (the consequence of the difference)." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

**General Accepted Auditing Standards (GAAS):** "Are sets of standards against which the quality of audits are performed and may be judged. Several organizations have developed such sets of principles, which vary by territory." https://www.aicpa.org/Research/Standards/AuditAttest/DownloadableDocuments/AU-00150.pdf

**Generally Accepted Government Auditing Standards (GAGAS):** "Also known as the Yellow Book, are the guidelines for audits created by the Comptroller General and the audit agency of the United States Congress, the Government Accountability Office." https://www.gao.gov/yellowbook/overview

**Governance** – "The combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

**Independence** – "The freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Industry Standard – "Is the average by which those in a particular field govern themselves. It is the ordinary manner of doing things in that field and can serve to establish different things in various legal settings." Defined by HG Legal Resources https://www.hg.org/legal-articles/what-is-the-relevance-of-industry-standards-under-the-law-36794

Infinite Visions - (iVisions): "Infinite Visions is TUSD's ERP system. Infinite Visions is comprised of integrated financial, human resources, payroll, purchasing, warehouse, and fixed asset applications. Key functionality includes position control and inventory, Personnel Action Requests (PARs), contract management, insurance tracking, tracking of employee demographics and certifications and more. iVisions web portal helps everyone in the district work and communicate more efficiently through convenient employee self-services and comprehensive school site functionality. With 24/7 anytime, anywhere access, district employees can view their personal data such as vacation and sick-leave balances, payroll history, and insurance and benefit plan details." https://www.tylertech.com

Internal Auditing – "IIA's definition "Internal auditing is an independent, objective, assurance and consulting activity designed to add value and improve an organization's operations. At its simplest, internal audit involves identifying the risks that could keep an organization from achieving its goals, making sure the organization's leaders know about these risks, and proactively recommending improvements to help reduce the risks." Additionally, "Internal auditors are explorers, analysts, problem-solvers, reporters, and trusted advisors. They bring objectivity and a variety of skills and expertise to the organization." https://global.theiia.org/about/about-internal-auditing/pages/about-internal-auditing.aspx

Internal Control – "A plan of organization under which employees' duties are arranged, and records and procedures are designed, to make it possible to exercise effective control over processes. Internal control procedures which call for proper authorizations by designated officials for all actions performed that must be specified and followed." https://global.theiia.org

Management Controls – "Actions carried out by management to assure the accomplishment of their objectives, including the setting up of oversight for an objective and the alignment of people, processes, and technology to accomplish that objective." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Objectives – "What an entity desires to achieve. When referring to what an organization wants to achieve, these are called business objectives, and may be classified as strategic, operations, reporting, and compliance. When referring to what an audit wants to achieve, these are called audit objectives or engagement objectives." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Observation – "A finding, determination, or judgment derived from the internal auditor's test results from an assurance or consulting engagement." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Organizational Chart – "Organizational charts are the presentation of reporting relationships and employee roles in an enterprise. A well-structured organizational structure would help improve productivity, but a poor organizational structure can weak the organization." https://www.orgcharting.com/poor-organizational-structure/

Overall Opinion - The rating, conclusion, and/or other description of results provided by the chief audit executive addressing, at a broad level, governance, risk management, and/or control processes of the organization. An overall opinion is the professional judgment of the chief audit executive based on the results of a number of individual engagements and other activities for a specific time interval." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

The Institute of Internal Auditors (IIA) – "Is an international professional association; it is a worldwide leader, authority, and principal educator for internal auditing professionals." https://global.theiia.org

Reasonable Assurance – "A level of assurance that is supported by generally accepted auditing procedures and judgments. Reasonable assurance can apply to judgments surrounding the effectiveness of internal

controls, the mitigation of risks, the achievement of objectives, or other engagement-related conclusions." https://global.theiia.org

**Recommendation** - The auditor's call for action to correct or improve operations. A recommendation may suggest approaches to correcting or enhancing performance as a guide for management in achieving desired results. The recommendation answers the question, "What is to be done?" https://global.theiia.org

**Residual Risk** – "The portion of inherent risk that remains after management executes its risk responses (sometimes referred to as net risk)."

**Risk** - "The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood." https://global.theiia.org

**Risk Appetite** – "The level of risk that an organization is willing to accept." https://global.theiia.org

**Risk Management** – "A process to identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of the organization's objectives." https://global.theiia.org

**Risk Mitigation** – "An action, or set of actions, taken by management to reduce the impact and/or likelihood of a risk to a lower, more acceptable level." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

**Risk Tolerance** – "The acceptable variation relative to performance to the achievement of objectives." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

**Standard** –"A professional pronouncement promulgated by the International Internal Audit Standards Board that delineates the requirements for performing a broad range of internal audit activities, and for evaluating internal audit performance." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

**Statistical Sampling** – "A sampling technique that allows the auditor to define with precision how representative the sample will be. After applying the technique and testing the sample, the auditor can state the conclusion in terms of being "%" confident that the error rate in the population is less than or equal to "%.""https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

**Stratified Sampling –** "Is a probability sampling technique where the total population is divided into homogeneous subgroups or "strata" based on shared characteristics such as age, gender, income, education level, etc. Researchers then randomly select samples from each stratum in proportion to their representation in the overall population." https://economictimes.indiatimes.com/definition/stratified-sampling

**System of Internal Controls –** "Comprises the five components of internal control—the control environment, risk assessment, control activities, information and communication, and monitoring—that are in place to manage risks related to the financial reporting, compliance, and operational objectives of an organization. https://global.theiia.org

**Tolerance** – "The boundaries of acceptable outcomes related to achieving business objectives."

**Tone at the Top** –"The entity-wide attitude of integrity and control consciousness, as exhibited by the most senior executives of an organization. Also see Control Environment." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

**Top-Down Approach** – "To begin at the entity level, with the organization's objectives, and then identify the key processes critical to the success of each of the organization's objectives." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

**Tracing –** "Taking information from one document, record, or asset forward to a document or record that was prepared later. For example, if auditors count inventory, they would trace their count forward to the

client's inventory records to verify the completeness of the records."
https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

**Vouching** – "The act of taking information from one document or record backward to an asset, document, or record that was prepared earlier. For example, auditors might vouch information on a computer report to the source documents from which the information was input to the system to verify the validity of the information." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf