

# SED Office of Audit Services (OAS)

## Overview

Board of Regents Meeting  
November 14, 2016





## The Purpose of an Audit

- Detect and prevent fraud, test internal controls, and ensure compliance with Department policy and government regulations.
- Auditing is the on-site verification activity, an inspection or examination, of a process or system, to ensure compliance to requirements.

# What is the Difference?

## Auditing

- Formal independent review governed by professional auditing standards.
- Evaluates a set period of time.
- Involves objectively assessing data to evaluate and validate compliance with policies.
- Formal communication to management with recommendations and corrective actions.
- Documented follow-up within a period of time to ensure recommendations are addressed.

## Monitoring

- Review completed by Program operations personnel.
- Ongoing evaluation.
- Checking and measuring with periodic testing - regularly occurring (daily/weekly/monthly).
- Results are internal
- Continuous review that may identify the need for an audit.



# OAS Purpose

Our Purpose is to provide quality audits and related financial services such as, financial statement reviews and monitoring of corrective actions for the Department

# Our Organization

## External Audit

6 Staff

Approx. 7 audits/year

- Reports to Deputy Commissioner of PIMS
- Audit Reports are Issued Publically
- Responsible for auditing:
  - 733 School Districts
  - 37 BOCES
  - 295 Charter Schools

## Internal Audit

2 Staff

Approx. 3 audits/year

- Reports to Executive Deputy Commissioner
- Audit Reports are **not** Public
- Responsible for auditing SED Program Offices

# What We Audit – External and Internal



# Additional OAS Responsibilities

<b>Responsibility</b>	<b>Since January 1, 2016</b>
<b>Audit Summaries</b>	<b>343 Presented Jan-Nov</b>
<b>College and University Composite Scores</b>	<b>101 Received and Scored</b> <b>23 Memos Issued to Higher Education</b>
<b>Corrective Action Plans (CAPS)</b>	<b>396 Received</b>
<b>Financial Statements</b>	<b>1040 Received for 2014-2015 Fiscal Year</b> <b>Data Entered into Database</b>
<b>Fraud Waste and Abuse</b>	<b>201 Cases</b>
<b>Audit Liaison - 114 Total Audits</b>	<b>1 KPMG Single Audit</b> <b>3 USDOE</b> <b>108 NYS Comptroller</b> <b>1 NYC DOE</b> <b>1 Suffolk County</b>
<b>Single Audit Reviews</b>	<b>126 Received and Logged</b>
<b>Preschool Application Review</b>	<b>68 Applications</b>
<b>Web Maintenance</b>	<b>Ongoing</b>

# OAS Annual Audit Plan Process

## 1. Deputy Outreach

Insight on areas of risk internally to the Department as well as with outside entities receiving funding or assistance.



## 2. Deputy Commissioner and OAS Audit Staff

Review areas/topics identified and available data analysis.



## 3. Proposed Audit Topics Presented to SED Senior Leadership

Selected based on Risk (likelihood and impact).



## 4. Presented to Regents Subcommittee on Audits





# The Purpose of Audit Summaries

- Summary of monthly issued Audit reports to the Department issued by OAS, State Comptroller and NYC Comptroller.
- Allows the Board to have an overview of what is happening within Districts Statewide.
  - Use the information as insight when speaking with districts.
  - Awareness of potential challenges that exist within districts.
- Regents should have an idea of the recommendations offered and how the districts plan to go about taking corrective action.
- The Executive Summary provides an overview of the Report.

# Other Audit Entities

- Sole responsibility is to audit.
- It is estimated that each organization has more than 100 auditors.
- Oversight Authority varies based on the entity.

## New York State Comptroller

- NYS Agencies and Local Governments

## New York City Comptroller

- NYC Agencies and Localities

# OAS Going Forward

- Ensure Efficient use of Limited Resources
- Use Available Department Data to Increase Data Analysis
- Training Partnerships
  - New York State Association of School Business Officials
  - New York State School Boards Association
  - New York State Council of School Superintendents

