

INTERNAL AUDIT PLAN 2026

**INDEPENDENT ASSURANCE AND
CONSULTING TO STRENGTHEN PWCS
OPERATIONS**

Prepared by:
**OFFICE OF INTERNAL AUDIT
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Introduction

In accordance with Policy 190, “Office of Internal Audit,” the Chief Internal Auditor creates at least annually, in conjunction with the Internal Audit Committee, an Internal Audit Plan identifying objectives for the upcoming year. The Chief Internal Auditor presents the Internal Audit Plan to the Prince William County School Board for its approval on an annual basis.

The Office of Internal Audit (Internal Audit) provides independent, objective assurance and consulting services designed to add value and improve Prince William County Public Schools (“PWCS”) operations. To maintain independence and objectivity, Internal Audit reports functionally to the Prince William County School Board through the Internal Audit Committee. Accordingly, all internal audits, whether conducted directly or through contractual services, are conducted under the direct control, oversight, and day-to-day supervision of the Chief Internal Auditor, with the goal of adding value and improving operations through collaboration, transparency, and promoting teamwork in a diverse work environment.

2026 Internal Audit Plan

The calendar year 2026 Internal Audit Plan considers available audit hours, leverages the audit team’s skillsets, and incorporates a risk-based assessment process to identify audit priorities. The Office of Internal Audit’s risk-based assessment process consists of the following steps:

1. Update the Audit and Risk Universe, which represents the potential range of audit activities and is comprised of several auditable topics.
2. Research and document the risks facing PWCS and the K-12 educational industry.
3. Solicit feedback from the School Board, Superintendent of Schools, and other senior management members (this year’s feedback was obtained through surveys); and
4. Assess and prioritize audit plan engagements based on information gathered from the audit universe, feedback, and research/documentation review.

The Internal Audit Plan focuses primarily on mission-critical risks that affect the achievement of the PWCS mission and strategic plan, as well as the efficiency and effectiveness of operations and internal controls over key processes. The Internal Audit Plan also includes on-site visits and financial reviews of selected schools and central offices within the division.

To help ensure the completion of the Internal Audit Plan, the Office of Internal Audit staff includes a Chief Internal Auditor, an Internal Audit Manager, and an Executive Administrative Assistant. Occasionally, unforeseen circumstances may prevent the completion of a planned engagement. The Audit Plan is intentionally designed to exceed capacity, providing flexibility to adjust engagement timing to meet stakeholder needs while effectively managing resources.

2026 Annual Internal Audit Plan (Proposed)

Engagement Activity	Description
1. Background Screening Audit (in-progress)	<p>Internal Audit will conduct an audit of the division’s background screening policies, procedures, and practices.</p> <p>The primary objectives of this audit are to: 1. assess the adequacy of the division’s background screening procedures; 2. determine the extent of compliance with local, state, and federal regulations, as well as internal policies; 3. identify gaps in the background check process that may pose risks to student safety and security; 4. evaluate the process for periodic re-screening of current employees to ensure compliance and safety; 5. review third-party and volunteer background check processes for compliance and student safety; and 6. identify areas for improvement to enhance PWCS’ background screening practices.</p>
2. Local and Non-Local Travel Policies and Controls Audit	<p>Internal Audit will conduct an audit of the division’s local and non-local travel policies and controls.</p> <p>This audit will cover travel activities undertaken by division staff and schools, including professional development, administrative travel, and student-related travel where applicable. The review will include travel occurring within the local jurisdiction as well as travel outside the jurisdiction (non-local), over the past fiscal year.</p> <p>The primary objectives of this audit are to: 1. assess the division’s compliance with policies and regulations; 2. assess if budgetary controls are being adhered to; 3. confirm that documentation and approval are appropriate; and 4. assess the equitable distribution of access among schools and staff.</p>
3. To Be Determined Audit	<p>Internal Audit will conduct an audit on a topic to be determined in collaboration with the Superintendent and Internal Audit Committee. This approach provides flexibility to address unexpected circumstances and emerging risks that may arise throughout the year.</p>
4. School Audits (Elementary, Middle, & High Schools)	<p>Internal Audit will conduct audits of schools’ compliance with cash receipts, cash disbursements, fundraising activities, parent-teacher organization oversight, procurement cards, community use, time and leave recording, procurement oversight, and vending commissions.</p> <p>The focus will be on schools that have experienced turnover in key positions (Principal or Finance Specialist), as well as situations deemed necessary.</p> <p>It is estimated that Internal Audit will complete between 18 and 20 school audits.</p>
5. Central Office Audits	<p>Internal Audit will conduct audits of central offices’ compliance with PWCS’ policies, regulations, and guidelines related to fiscal management.</p> <p>It is estimated that Internal Audit will complete three or four central office audits.</p>

Engagement Activity	Description
6. Enterprise Risk Management (ERM) Program	<p>The Enterprise Risk Management (ERM) program helps identify mission-critical risks facing PWCS and monitors the mitigation efforts. For 2026, the ERM risks to be monitored include:</p> <ul style="list-style-type: none"> • Data Security • FOIA and FERPA Compliance • Student Absenteeism • Student Mental Health
7. Auditing Continuous Engagement (ACE)	<p>The Auditing Continuous Engagement (ACE) program continuously monitors critical areas vulnerable to fraud, waste, and abuse by leveraging data analytics tools. For 2026, ACE reviews will focus on:</p> <ul style="list-style-type: none"> • Cash Disbursements <ul style="list-style-type: none"> ○ Conflict of Interest ○ Duplicate vendors in master file ○ Duplicate vendor payments ○ Fraud detection of vendor payments ○ Top 50 Vendor Spend/Third Party Risks • Time and Leave <ul style="list-style-type: none"> ○ Approvals ○ Teacher Absenteeism
8. Other Internal Audit Activities	<p>In addition to the engagements listed above, Internal Audit will perform the following activities in CY26:</p> <ol style="list-style-type: none"> (1) Annual Internal Audit Report – Internal Audit will produce an annual report, which summarizes its mission and charter, accomplishments, and upcoming projects. (2) CY 2027 Risk Assessment – A formal risk assessment is the primary tool auditors use to establish their priorities and annual internal audit plan. Internal Audit will conduct a divisionwide risk assessment of PWCS’ operations to develop a 2027 Annual Internal Audit Plan. (3) Internal Audit Committee Meetings – Internal Audit will present work progress and audit reports to the Internal Audit Committee during regularly scheduled meetings. (4) Fraud, Waste, and Abuse Inquiry – Internal Audit administers the Fraud, Waste, and Abuse hotline and receives inquiries through the hotline, dedicated email account, direct emails, and in-person visits, in accordance with Regulation 351-1, “Reporting, Investigating and Prosecuting Fraud, Embezzlement and Other Irregularities.” (5) Outreach and Education – To enhance the awareness of Internal Audit’s mission and audit activities with internal/external stakeholders, Internal Audit will perform various outreach and training activities to raise awareness on internal controls, fraud prevention, and mission-critical risks.

Engagement Activity	Description
	<p>(6) Continuous Improvement Program – Internal Audit is committed to exceeding customer expectations and meeting professional responsibilities in alignment with the Institute of Internal Auditors’ Global Standards. To achieve this, we conduct ongoing and periodic assessments of our work. Through the Quality Assurance and Improvement Program, we review activities, integrate quality into processes, and promote continuous improvement and operational excellence.</p> <p>(7) Recommendations Follow-Up – In alignment with professional standards, Internal Audit will conduct follow-up activities to verify that management has taken appropriate action to address the issues identified during the audit.</p> <p>(8) Staff Professional Development – Internal Audit standards require staff performing work under the standards to maintain professional competence through Continued Professional Education (CPE). Staff holding professional certifications are required to obtain an average of 40 CPE hours per year to maintain their certification status.</p> <p>(9) Advisory Services – Internal Audit provides management with independent, objective insights to drive continuous improvement through advisory engagements. These include guidance for parent-teacher organization oversight and reviews of policies and regulations.</p> <p>(10) Other Activities as Necessary – Additional reviews and/or special requests from the School Board, Internal Audit Committee, Superintendent, and Executive Cabinet members may arise due to emerging risks to the division.</p>

2026 Internal Audit Plan Schedule

Activity	2026											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1. Background Screening Audit (in-progress)												
2. Local and Non-Local Travel Audit												
3. School Audits (18-20)												
4. Central Office Audits (3-4)												
5. Enterprise Risk Management (4 risks)												
6. Auditing Continuous Engagement (Data Analytics)												
7. Annual Internal Audit Report												
8. Calendar Year 2027 Risk Assessment												
9. Internal Audit Committee Meetings												
10. Fraud, Waste, and Abuse Inquiry and Monitoring												
11. Recommendations Follow-Up												
12. Advisory Services												
13. Other Activities - Outreach/Education, Continuous Improvement, Professional Development												