



Office of Internal Performance Audit (OIPA)

Annual Report

Covering the 2019-20, 2020-21, and 2021-22 fiscal years

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About the Office of Internal Performance Audit

State and local governments can enhance credibility with taxpayers by implementing performance audits to support accountability and ensure tax dollars are spent as effectively as possible.

The Office of Internal Performance Audit (OIPA) was created by the Portland Public Schools (PPS) Board of Education (Board) in the fall of 2018. The authority of the OIPA is described in PPS Board Policy, District Performance Auditing (1.60.040-P) and the PPS Internal Performance Audit Charter, approved by the PPS Board in October 2019.

PPS performance auditing is an objective and systematic examination of evidence to provide an independent assessment of a government organization, program, activity, or function. The goal of these audits is to improve program effectiveness; improve the equity of service delivery; provide useful, objective, and timely information; strengthen administrative and management systems and controls; facilitate decision-making by parties with responsibility for overseeing or initiating corrective action; and improve student achievement District-wide. The objectives of performance audits vary, but generally address whether PPS is operating economically and efficiently, and/or whether it is achieving desired results.

The purpose of the internal performance audit function is to help improve the accountability and performance of PPS through independent auditing and reporting.

OIPA reports directly to the PPS Board and the Board's Audit Committee. This reporting structure was established to ensure the OIPA remains independent of PPS Management. Independence is essential to ensure that audit results are objective, and are communicated directly to the PPS Board. OIPA provides recommendations only, and does not have any authority to implement operational policies or procedures on behalf of the District.

OIPA is led by the Senior Internal Performance Auditor, Janise Hansen, CIA, hired by the PPS Board in September 2019. Janise has more than 10 years of experience auditing school districts including employment at Seattle Public Schools as a Senior Internal Auditor and at the Washington State Auditor's Office as an Assistant Audit Manager. In addition to Janise, the OIPA office staff includes Mary Catherine Moore, Internal Performance Auditor, who was hired in March 2019.

Audit Standards

The OIPA adheres to very rigorous and demanding professional auditing requirements described in Generally Accepted Government Auditing Standards, or more commonly referred to as GAGAS or the Yellow Book.

To meet audit standards, auditors are required to complete 80 hours of continuing professional education every two years.

Performance measures

The OIPA's performance is measured by reviewing results in the following areas:

- Number of audits completed per full time equivalent (FTE) employee; and
- Rate of management's agreement with recommendations
- Rate of recommendation implementation
- Auditee Survey Results

Audits per FTE

One way to measure efficiency is by looking at the number of audits completed per full-time equivalent (FTE) employee.

Below is the number audits issued in the last three years:

- Fiscal Year 2019-20: one audit issued
- Fiscal Year 2020-21: one audit issued
- Fiscal Year 2021-22: three audits issued

The length of each audit is affected by the complexity of the audit topic and audit scope.

The OIPA's target is to complete three audits per fiscal year (one and a half audits per FTE each year). Although we have not always met this target we are working to meet the goal consistently. Smaller scoped audits should help improve our efficiency in the coming year.

Rate of management's agreement with recommendations

The percentage of recommendations management agrees with, helps gauge the impact of the audit. The OIPA's target is management agrees with 75 percent of the recommendations.

During the 2019-20, 2020-21, and 2021-21 fiscal years OIPA issued a total of 31 recommendations; management agreed with 29 and disagreed with two. This is a 94 percent rate of recommendations management has agreed with.

Recommendation implementation rate

The percentage of recommendations implemented shows how much impact audits have on the school district. The OIPA asks audited programs to report on the status of implementation of recommendations made in the last three years. That information is used to track the percent of recommendations implemented after an audit is released.

During the 2019-20, 2020-21, and 2021-21 fiscal years, OIPA has confirmed the implementation of 22 of the 31 recommendations made. This places the implementation rate at 71 percent. Although none of the reports have been issued for five years yet, with the current implementation rate of 71 percent, we do anticipate meeting our target of 75 percent of recommendations being implemented within five years.

Auditee Feedback Survey

The OIPA developed the Internal Performance Audit Feedback Survey. The survey will be provided to PPS staff members who were directly involved in the audit. The survey is set up so responses to the survey are anonymous.

Below is a list of questions that are included in the survey:

1. OIPA auditors solicited feedback from you and your team and considered your input throughout the audit.
2. The audit objectives, purpose, and scope of the audit were clearly communicated.
3. The scope of the audit (i.e., the processes, activities, period of coverage was sufficient and key risks were covered).
4. The auditor's requests for information were reasonable and clearly communicated.
5. OIPA auditors appeared fair, reasonable, and objective throughout the audit and offered quality feedback.
6. OIPA auditors took actions to minimize the impact on your daily operations (e.g., provided meeting agendas, coordinated mutually agreeable meeting times, and started and finished meetings on time).
7. Audit observations and results of the audit were communicated fairly, clearly, accurately, and in a timely manner.
8. Any concerns you brought to the OIPA auditors were addressed and differences of opinion, if any, were resolved before the final audit results were communicated.
9. The results or outcome of the audit added value to your department by providing feedback and recommendations on improving your operations and internal controls.
10. Were there aspects of the audit that you were particularly pleased with?
11. Were there aspects of the audit that you would like to see changed?
12. If you would like to be contacted by OIPA or the Chair of the Audit Committee to discuss this survey, please indicate below and provide contact information.

For questions one through nine of the survey, there is a choice to select from the following choices to answer the question:

- Excellent
- Good
- Fair
- Poor
- N/A (not applicable)

Questions 10 and 11 are open ended questions so there is space available to provide a response. For question 12, no response is required unless they would like to be contacted.

The OIPA has not established a target expectation related to the results of the Auditee Feedback Survey. The OIPA will provide the results of the Auditee Feedback Survey each year in its Annual Report.

We have not issued an audit report since the Auditee Feedback Survey was approved by the Audit Committee. As a result, we do not have any results to share at this time. We look forward to providing this information in the next Annual Report.