The Office of Internal Performance Audit (OIPA)

Performance Measures

Best Practices

The "Internal Auditing in the Great City School" report, issued by the Council of the Great City Schools, states it is best practice for internal audit departments to utilize key performance indicators (KPIs) to set goals, measure performance, and provide information to stakeholders.

KPI 1: Number of audits completed per full time employee (FTE) – Target of 1.5 audits per FTE

KPI 2: Recommendation implementation rate (within two years of report date) – Target 75%

KPI 3: Rate of management's agreement with recommendations – Target 75%

Informational ~~performance measure~~ **data:** Average audit hours and number of audits completed

For Discussion Today

- When/how we will report on KPIs

- How will we monitor/calculate KPIs

- Draft survey questions

When/how we will report on KPIs

- We will use the District's fiscal year of 07/1/xx – 06/30/xx
- We will gather and compile information during the summer months
- We will present a report on OIPA KPIs to the Audit Committee in the September meeting

  – Example: In the September 2021 Audit Committee meeting, we will provide a report on OIPA KPIs for the 20/21 fiscal year

How we will monitor/calculate KPIs

KPI 1 - Number of audits completed per full time employee (FTE) – target 1.5 per FTE

- Reports delivered to the Audit Committee during the fiscal year will meet the criteria.
  - Examples:
    - Contracts Audit report – delivered June 29, 2020 – Not included in the 20/21 fiscal year
    - ACH Audit report – delivered 1/13/2021 – Will be included in the 20/21 fiscal year

KPI 2 - Recommendation implementation rate (within two years of report date) – Target 75%

- We will use the date on the audit report (typically a month) to calculate the start of the two year period.
  - Example:
    - Contracts Audit report – dated June 2020
    - The target of 75% recommendation implementation rate will be calculated using the number of recommendations made (20 Contracts Audit recommendations - not including those made for consideration) in comparison to the number of those recommendations implemented by the District as of June 2022. This calculation would be included in the 21/22 annual report presented to the Audit Committee in September 2022.

    NOTE: The current status of implementation rate will be reported on annually – meaning the 20/21 OIPA KPIs report presented in the September 2021 meeting will include the current status of implementation rate. However the target of 75% implementation rate will not be applied until the 21/22 OIPA KPIs report.

How we will monitor/calculate KPIs

KPI 3 – Rate of management's agreement with recommendations – Target 75%

- KPI 3 will be calculated using the same methodology as KPI 2; however, we will compare the number of recommendations made to whether District management agreed or disagreed with the recommendation.

- Currently, Management has the option to select Agree, Partly-Agree, Partly-Disagree, or Disagree. For purposes of the target calculation, we will group Agree and Partly-Agree together, and Partly-Disagree and Disagree together.

How we will monitor/calculate KPIs

Informational data-

average audit hours and number of audits completed

- This will be calculated by dividing the total number of staff audit hours during the fiscal year by the number of audits completed.
- There is no target identified. This is just the data that helps support KPI 1.

Future KPIs

Auditee feedback is a common KPI. OIPA will work on developing a survey to gather auditee feedback so this performance measure can be added to the OIPA's KPIs in the future.

Auditee Survey

We utilized the IIA (Institute of Internal Auditors) survey template and modified to make it more applicable for a school district.

Auditee Survey Rating Scale

Selection options:

- Strongly agree

- Agree

- Neither Agree nor Disagree

- Disagree

- Strongly Disagree

- Not Done

Auditee Survey Format

- Introduction Questions

- Audit Scope Questions

- Auditor Knowledge and Professionalism Questions

- Audit Communication and Reporting Questions

- Open-Ended Questions

- Contact Information (optional)

Auditee Survey Questions

Introduction Questions

- Department name (optional):

- Audit Topic (i.e., Contracts Audit, ACH Audit, PCard Audit): (Blank space provided for the answer)

- My position most closely relates to (select one):
  - Management
  - Staff

Auditee Survey Questions

Audit Scope Questions

- OIPA staff solicited feedback from you and your team to ensure your concerns were adequately addressed during the audit.
- The audit objectives, purpose, scope, and audit processes were clearly communicated during the initial phase of the audit.

Knowledge and Professionalism Questions

- OIPA auditor(s) were professional and courteous throughout the audit process.
- **OIPA auditor(s) demonstrated a reasonable understanding of the area under review. – Tentative**
- OIPA auditor(s) appeared fair, reasonable, and objective throughout the audit – e.g., auditor(s) were not judgmental or argumentative – and offered quality feedback.
- OIPA auditor(s) 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.

Auditee Survey Questions

Audit Communication and Reporting Questions

- Audit observations / results were communicated clearly in a timely manner during the course of the audit.

- Any concerns or differences of opinion you brought to the OIPA auditor(s) were responded to before the final audit results were communicated.

- The results or outcome of the audit added value to your department.

Open-ended Questions

- Were there aspects of the audit that you found particularly helpful?

- Were there aspects of the audit that you found particularly challenging?

- If any of the above questions were rated lower than average, we welcome your comments outlining your concerns that pertain to that specific evaluation criterion below.

Auditee Survey Questions

Contact Information (optional)

- If you would like to be contacted by OIPA or the Audit Committee to discuss the results of this survey, please indicate below:
  - Member of OIPA
    - Yes – (Please provide your preferred email address for initial communication)
    - No
  - Member of the Audit Committee
    - Yes – (Please provide your preferred email address for initial communication)
    - No

Auditee Survey Results and Target

- Results of the survey will be included in the annual OIPA KPIs report.
    - ETA: September 2022

- Target – OIPA is requesting no current target expectation.
    - Reconsideration of establishing a target to be discussed annually as part of the OIPA KPIs report presentation in September of each year.

Next Steps

- The Audit Committee can look forward to the first OIPA KPIs report in September 2021 (will not include Auditee Survey content).

- OIPA is soliciting feedback on the survey questions. Please let us know if you have thoughts you would like us to consider.

- OIPA will provide the final Auditee Survey to the Audit Committee in an upcoming meeting.

Questions?