



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: August 24, 2026

Presenter: Lisa Shoesmith
Director of Internal Audit

Subject: Approval of Internal Audit Plan (2026-2027 SY) Related Page(s): Internal Audit Plan

ACTION ITEM

BACKGROUND INFORMATION

The *Texas Education Code, Section 11.170 (House Bill 1; 79th Legislature)* states if a school district employs an internal audit function, the internal audit function shall report directly to the Board of Trustees. Current audit standards require internal audit functions to prepare an annual audit plan and obtain approval for such plan from the Board.

The Director of Internal Audit shall develop a comprehensive, annual audit plan to ensure all activities and programs of the District are reviewed at appropriate intervals based on a documented risk analysis. The annual plan shall encompass financial, operational, and compliance performance concerns as identified in the assessment of the District's risk. The Director of Internal Audit shall reserve space in the annual audit plan for additional work such as investigative audits and consultative/advisory services. The Internal Audit Plan shall be reviewed and approved annually by the Board.

ADMINISTRATIVE RECOMMENDATION

It is recommended that the Board of Trustees approve the proposed Internal Audit Plan for the 2026-2027 school year.

BOARD ACTION REQUIRED

Approval/Disapproval