EL PASO INDEPENDENT SCHOOL DISTRICT

AUDIT COMMITTEE, EL PASO INDEPENDENT SCHOOL DISTRICT
AUDIT COMMITTEE
OCTOBER 29, 2026
5:00 PM
EPISD Administration Building (1014 North Stanton Street, El Paso, Texas)

Videoconference Notice:

A quorum of the Audit Committee will be physically present at the EPISD Administration Building (1014 North Stanton Street, El Paso, Texas), and it is the intent to have a quorum of the Board present at that location. Pursuant to Texas Government Code 551.127, if a quorum of the Board is physically present at the designated location, other Trustees may attend and participate in this meeting via videoconference.

Announcement of Meeting/Agenda
As Directed under the Provisions of the
Texas Open Meetings Act,
Texas Government Code, Chapter 551

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Audit Committee will conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Government Code Section 551 Subchapters D and E, or Texas Government Code 418.183 (f). Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

Subject of Meeting

1. Call to Order

2. Reports

A. Internal Audit Activity Report

3. Adjournment

_____
Superintendent

The district condemns and prohibits discrimination, including harassment, against any employee on the basis of race, color, age, sex, religion, national origin, marital status, citizenship, military status, disability, genetic information, gender stereotyping and perceived sexuality, perceived or actual sexual orientation, gender identity or gender expression, or any other basis prohibited by law. Inquiries concerning the application of Title VI, VII, and IX, and Section 504 may be referred to the District Compliance Officer, Rosa Ramos, at (915) 230-2031; 504 inquiries regarding students may be referred to Kelly Ball at (915) 230-2856.

EL PASO INDEPENDENT SCHOOL DISTRICT

MEETING DATE: OCTOBER 29, 2026
REPORTS

Audit Committee
Executive Summary of Board Agenda Item

TITLE:
Internal Audit Activity Report

JUSTIFICATION STATEMENT:

PURPOSE OF AGENDA ITEM: Informational/Report

TO BE HELD IN: Open Session

TEXAS GOVERNMENT CODES:

AUTHORITY FOR ACTION: Legal/Local Policy

STAFF RESPONSIBILE: Mayra G. Martinez, Chief Internal Auditor

DISTRICT IMPROVEMENT PLAN OBJECTIVE, GOAL, OR NEED ADDRESSED:
Strategic Lever IV: Culture of Accountability - El Paso ISD cultivates a culture of transparency, care, and service.

SUMMARY:
The Internal Audit Department provides independent and objective assurance and advisory services to support the District's governance, risk management, and internal control processes in accordance with the Global Internal Audit Standards. Domain III – Governing the Internal Audit Function emphasizes the Board's oversight responsibilities and the importance of regular communication regarding Internal Audit's activities, performance, and significant matters.

The Internal Audit Activity Report covers July 1 through October 20, 2026, and provides the Board of Trustees with an update on progress toward the Board-approved Audit Plan, results of completed engagements, the status of corrective action plans, and other significant Internal Audit activities. The report supports the Board's governance responsibilities and promotes accountability, transparency, and informed decision-making throughout the District.

ADMINISTRATIVE RECOMMENDATION/MOTION:

FUNDING SOURCE: ACCOUNT NO.:

FISCAL IMPACT AND COST:

IMPACT ON OTHER FUCTIONS/OPERATIONS:

CONSEQUENCES OF NON-APPROVAL:

IMPLEMENTATION TIMELINE:
Fiscal year 2026-2027

COMMENTS RECEIVED, IF ANY:

ATTACHMENTS:

Board Audit Committee Mtg Presentation_261029.pdf
FY27_Internal Audit Activity Report Q1.pdf

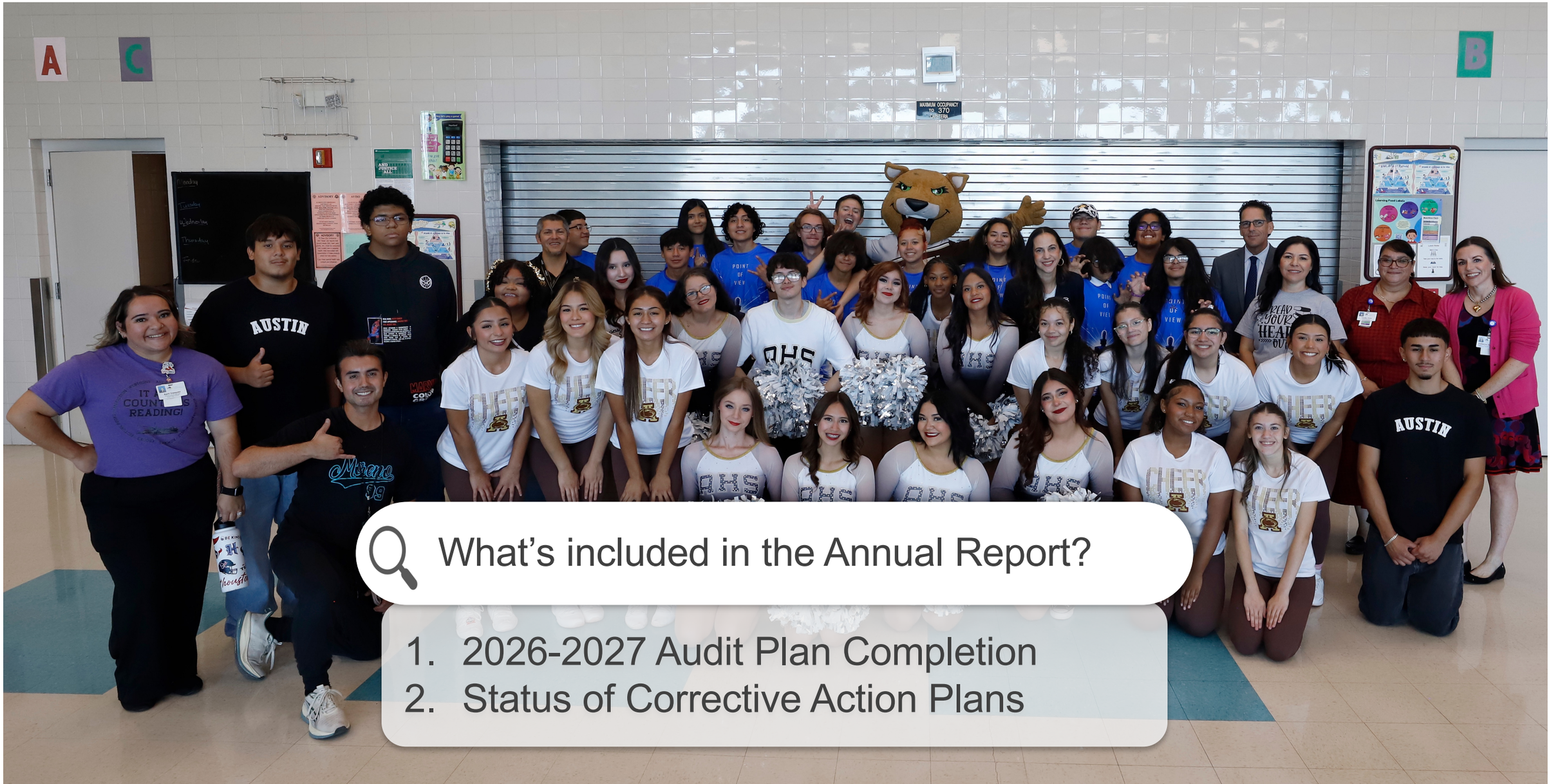
BOARD AUDIT COMMITTEE MEETING | OCTOBER 29, 2026

EL PASO ISD
it starts with us

Internal Audit Activity Report

Fiscal Year 2026-2027 through October 20, 2026

MAYRA G. MARTINEZ, CIA, CFE, CGAP, RTSBA
Chief Internal Auditor, El Paso Independent School District

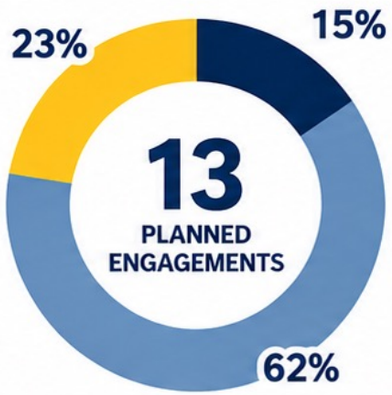


What's included in the Annual Report?

1. 2026-2027 Audit Plan Completion
2. Status of Corrective Action Plans

2026-2027 Audit Plan

STATUS OF PLANNED ENGAGEMENTS
(13 ENGAGEMENTS)



Complete	2 of 13	**15%**
In Progress	8 of 13	**62%**
Not Started	3 of 13	**23%**

CONTINGENCY ASSURANCE ENGAGEMENTS

6
ASSURANCE ENGAGEMENTS
Completed

THE AUDIT PLAN ALSO SUPPORTS

Fraud, Waste & Abuse Hotline
Intake and review of reports

Quality Assurance and Improvement Program
Ongoing internal quality activities

Annual Risk Assessment and Audit Planning
Annual risk assessment and development of risk-based audit plan

Professional Development
Training and continuing education

Department Administration
Budget, staffing, communications, and other administrative activities

Audit Plan Engagements & Status at Year-end

ASSURANCE ENGAGEMENTS — 11 ENGAGEMENTS

✓	26.01.A	Attendance Audit
◐	27.01.N	Budget Management and Monitoring Reviews
◐	27.02.A	Human Resources Audit
◐	26.04.A	Inventory/Surplus Audit
○	27.04.A	Software Licensing and Utilization Audit
✓	26.FH-06	Review of Conflict of Interest Concern ◆
✓	27.00-01.N	Review of Student Supplies Concern ◆
✓	27.00-03.N	Review of Pay Adjustments Concern ◆
✓	27.00-04.N	Review of Preferential Treatment Concern ◆
✓	27.FH-01	Review of IST Projects and Procurement Concern ◆
✓	27.00-02.N	Review of Grade Change Concern ◆

ADVISORY ENGAGEMENTS — 1 ENGAGEMENT

○	27.03.C	School Closures Impact Advisory Engagement

CAP FOLLOW-UP REVIEWS — 7 ENGAGEMENTS

✓	26.00-14.F	Budget Overrun CAP First Follow-up Review

Two additional CAP follow-up reviews will be added as the year progresses.

◐	25.04.F	Activity Funds Audit CAP Follow-up Review
◐	26.01.F	Attendance Audit CAP Follow-up Review
◐	26.03.F	Average Daily Attendance (ADA) Audit CAP Follow-up Review
○	26.04.F	Inventory/Surplus Audit CAP Follow-up Review
◐	24.04.F	Maintenance Audit CAP Follow-up Review
◐	26.07.F	Special Education Audit CAP Follow-up Review

✓ = Complete (through Reporting Phase) ◐ = In Progress (Planning, Fieldwork, or Reporting) ○ = Not Started | ◆ = Contingency Engagement

ATTENDANCE AUDIT

Audit Plan Code: 26.01.A

WHAT WE FOUND

The District has a documented and controlled process for the timely and accurate mass removal of Chronically Absent (CAS) and Truant (TRU) At-Risk codes at the end of the school year. However, **opportunities for improvement** were identified in the District's processes for identifying, coding, documenting, monitoring, and providing required accelerated instruction to students meeting CAS and TRU eligibility criteria.

1 ACCELERATED INSTRUCTION



Required accelerated instruction was not provided to

73% of CAS students and

59% of TRU students tested.

2 STUDENT IDENTIFICATION & CODING



Students were not consistently identified and coded, including instances in which coding occurred before or after eligibility criteria were met.

3 REQUIRED DOCUMENTATION



Required documentation supporting CAS and TRU coding was incomplete or missing.

4 RECOMMENDATIONS ISSUED

To strengthen oversight of CAS and TRU by establishing:

1. ACCOUNTABILITY, OVERSIGHT & PROCEDURES
2. TRAINING
3. QUALITY ASSURANCE
4. ACCELERATED INSTRUCTION DOCUMENTATION

MANAGEMENT'S RESPONSE

Management and leadership agreed with the audit finding. District management and leadership submitted a Corrective Action Plan (CAP) with four (4) activities to be implemented. All four (4) recommendations made by Internal Audit were incorporated into the CAP. The CAP appears to be sufficient to address the finding outlined in this report. Internal Audit will conduct follow-up reviews to validate CAP activities have been implemented.

BUDGET OVERRUN CAP FOLLOW-UP REVIEW

Audit Plan Code: 26.00-14.F1

WHAT WE FOUND

Internal Audit conducted the first follow-up review of the corrective actions developed in response to the Budget Overrun Review. Management has implemented four (4) of the nine (9) CAP activities due through September 30, 2026.

The corrective actions implemented to date represent significant progress in strengthening the District's financial management, transparency, and accountability practices. These improvements directly address several of the financial management and communication concerns identified in the original Budget Overrun Review.

FOUR (4) CAP ACTIVITIES IMPLEMENTED

1. **FINANCIAL REPORTING, TRANSPARENCY, AND FINANCIAL RISK ESCALATION PROCESS**
2. **PROMOTE A CULTURE OF PROFESSIONALISM, COLLABORATION, TRANSPARENCY, AND SHARED RESPONSIBILITY**
3. **STRENGTHENED ABR PROCESS**
4. **INTEGRATED STAFFING CHANGE AND POSITION CONTROL PROCESS**

STATUS OF CAP ACTIVITIES

Nine (9) activities in the CAP

4	5	Overall CAP Status	
Implemented (44%)	Open (56%)	**Open**	The remaining five (5) activities are scheduled for completion between October 2026 and June 2027. The CAP remains open, and Internal Audit will continue to monitor the remaining activities.

Corrective Action Plans (CAPs)

DISTRICT MANAGEMENT & LEADERSHIP

Develop & Implement

- Develop CAPs to address findings, observations, and recommendations
- Implement the agreed-upon corrective actions

INTERNAL AUDIT

Monitor & Report

- Conduct follow-up reviews to monitor CAP implementation
- Report CAP status to the Board quarterly
- Issue CAP Follow-up Reports to document and report the results of our reviews

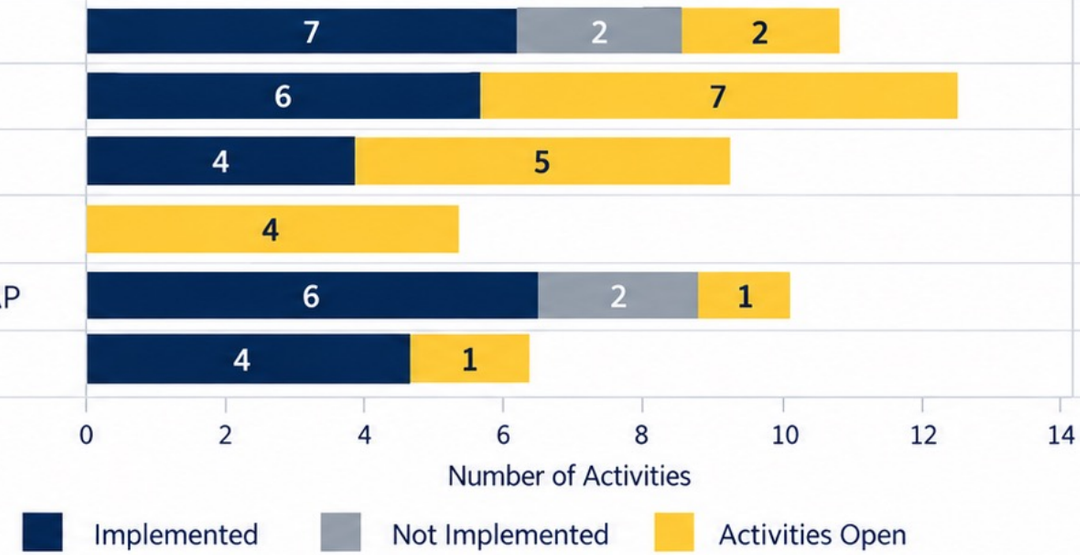
Management owns the corrective action.

Internal Audit independently monitors and reports implementation.

Together, we support accountability and continuous improvement.

CAP Follow-up Review Engagements

Project Code	Audit Project Name	Total Activities	Completion Percentage
24.04.F	Maintenance Audit CAP	11	82%
25.04.F	Activity Funds Audit CAP	13	46%
26.00-14.F	Budget Overrun Review CAP	9	44%
26.01.F	Attendance Audit CAP	4	0%
26.03.F	Average Daily Attendance CAP	9	89%
26.07.F	Special Education Audit CAP	5	80%



6 Open CAPs

27 Implemented
53% of 51

4 Not Implemented
8% of 51

20 Activities Open
39% of 51

51 Total CAP Activities

Internal Audit

Assurance | Insight | Objectivity

1014 N. Stanton | El Paso, TX 79902
Phone: 915-230-2743 | Email: audit@episd.org

Fraud, Waste, and Abuse Hotline:

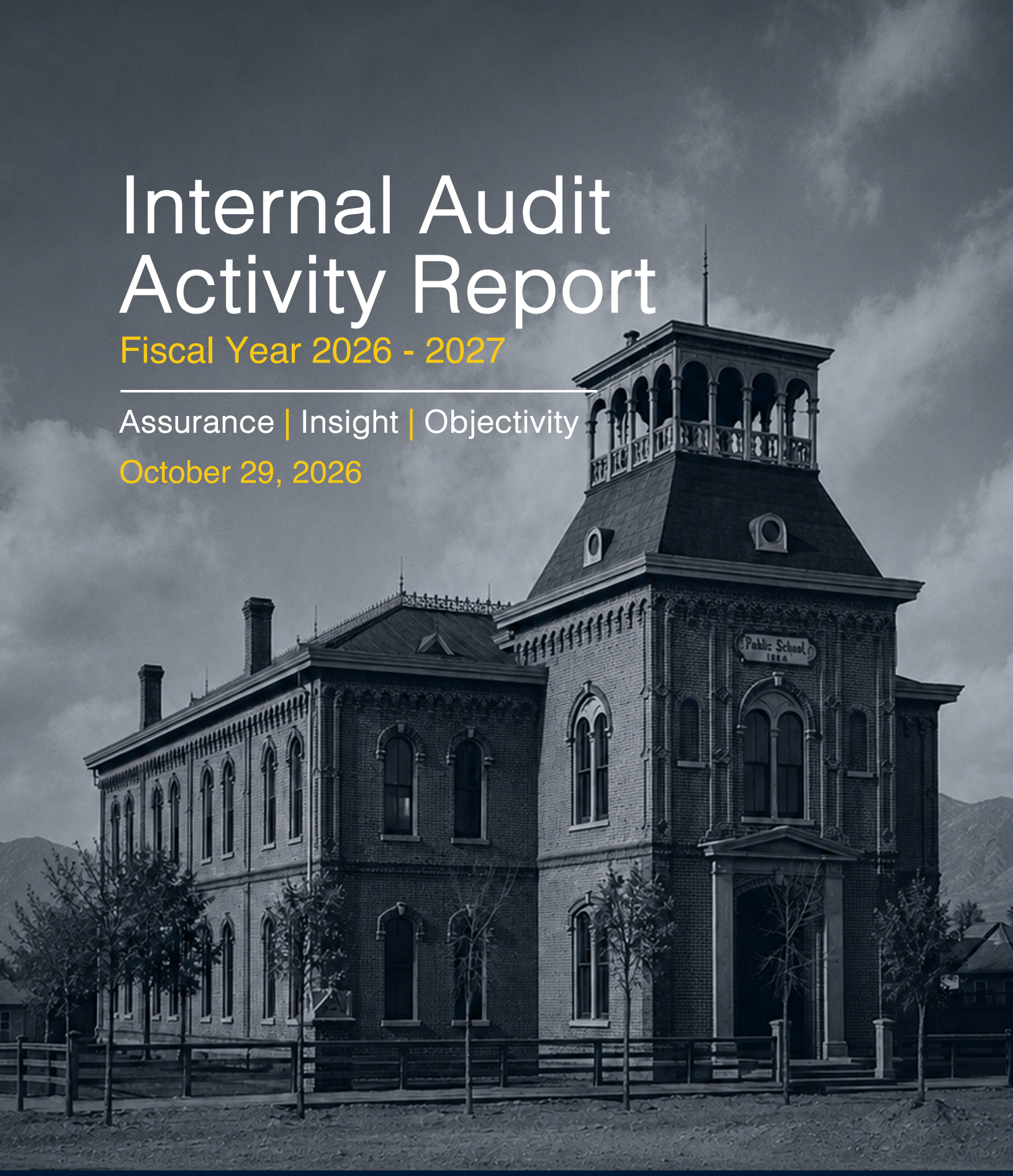
https://www.reportlineweb.com/EPISD or (800) 620-8591

Internal Audit Activity Report

Fiscal Year 2026 - 2027

Assurance | Insight | Objectivity

October 29, 2026



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INTERNAL AUDIT DEPARTMENT

Contents

Activity Report

Executive Overview 1
Audit Plan Performance 2
Audit Plan Status 2
Exhibit 1: Audit Plan Performance 2
Exhibit 2: Status of Internal Audit Engagements 3
Engagement Results 3
Corrective Action Plans 8
Status of Corrective Action Plans 8
Exhibit 3: Status of Corrective Action Plans 8

Abbreviations

ACFE	Association of Certified Fraud Examiners
ADA	Average Daily Attendance
CAP	Corrective Action Plan
CAS	Chronic Absenteeism
CFE	Certified Fraud Examiner
CGAP	Certified Government Auditing Professional
CIA	Certified Internal Auditor
DIA	Direct Internet Access
EPISD	El Paso Independent School District
IIA	Institute of Internal Auditors
IST	Information Security and Technology
PEIMS	Public Education Information Management System
PA	Public Access
RTSBA	Registered Texas School Business Administrator
TRU	Truancy

Activity Report

ASSURANCE | INSIGHT | OBJECTIVITY

Executive Overview

The Internal Audit Department provides independent and objective assurance and advisory services designed to add value and support the District in achieving its objectives. Internal Audit evaluates and provides insight into the effectiveness of governance, risk management, and control processes and performs its work in accordance with the Global Internal Audit Standards.

Domain III – Governing the Internal Audit Function of the Global Internal Audit Standards establishes expectations for the Board's oversight of the internal audit function and emphasizes the relationship among the Board, senior leadership, and the Chief Audit Executive in supporting an effective and independent Internal Audit function. The Board's responsibilities include oversight of Internal Audit's mandate, organizational independence, resources, quality, and performance. Quarterly reporting supports these responsibilities by keeping the Board informed of Internal Audit activities, results, and other significant matters.

This activity report summarizes Internal Audit activities for the period July 1 through October 20, 2026, including work completed during the period and the status of ongoing activities. The report provides information on progress toward the Board-approved Audit Plan, results of completed engagements, the status of corrective action plans, and other Internal Audit activities and matters relevant to the Board's oversight responsibilities. During this reporting period, Internal Audit:

- Completed two planned engagements and six contingency assurance engagements.
- Reported significant results involving attendance compliance, grade changes, and compensation practices.
- Completed the first follow-up review of the Budget Overrun CAP.
- Continued monitoring six open CAPs involving 51 corrective actions.

Our quarterly reports reflect Internal Audit's commitment to accountability, transparency, and providing assurance and insight that support effective governance and informed decision-making throughout the District. Internal Audit appreciates the Board's continued support, the cooperation and responsiveness of District management and leadership, and the dedication of the Internal Audit staff.

Respectfully,



Mayra G. Martinez, CIA, CGAP, CFE, RTSBA
Chief Internal Auditor

Audit Plan Status

The FY2026–2027 Internal Audit Plan was developed using a risk-based approach and approved by the Board on April 21, 2026. An adjusted Audit Plan was subsequently approved by the Board on August 11, 2026, to reflect changes in District risks, priorities, and Internal Audit resources. The adjusted plan includes 13 engagements.

As of October 20, 2026, two (2) of the 13 planned engagements were complete, eight (8) were in progress, and three (3) had not started. In addition to the planned engagements, Internal Audit completed six (6) contingency assurance engagements in response to concerns requiring review.

Exhibit 1 illustrates the status of planned engagements and completed contingency assurance engagements. It also highlights other Internal Audit responsibilities for which staff hours are allocated in the Audit Plan, including administration of the Fraud, Waste, and Abuse Hotline; quality assurance and improvement activities; annual risk assessment and audit planning; professional development; and departmental administration.

Exhibit 1: Audit Plan Performance

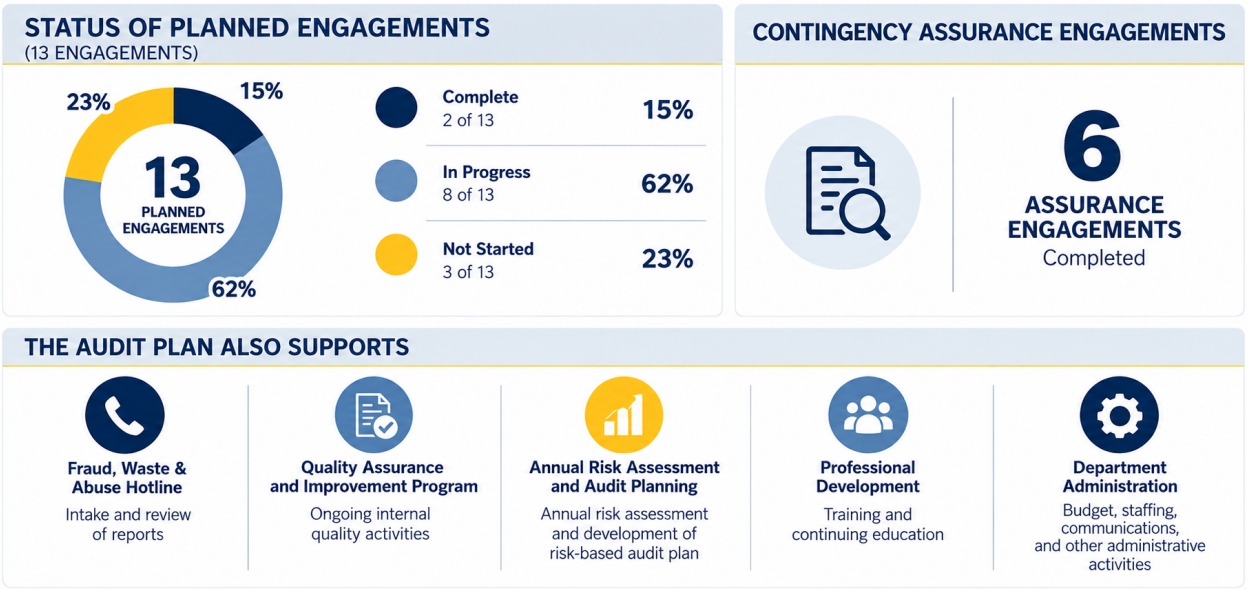
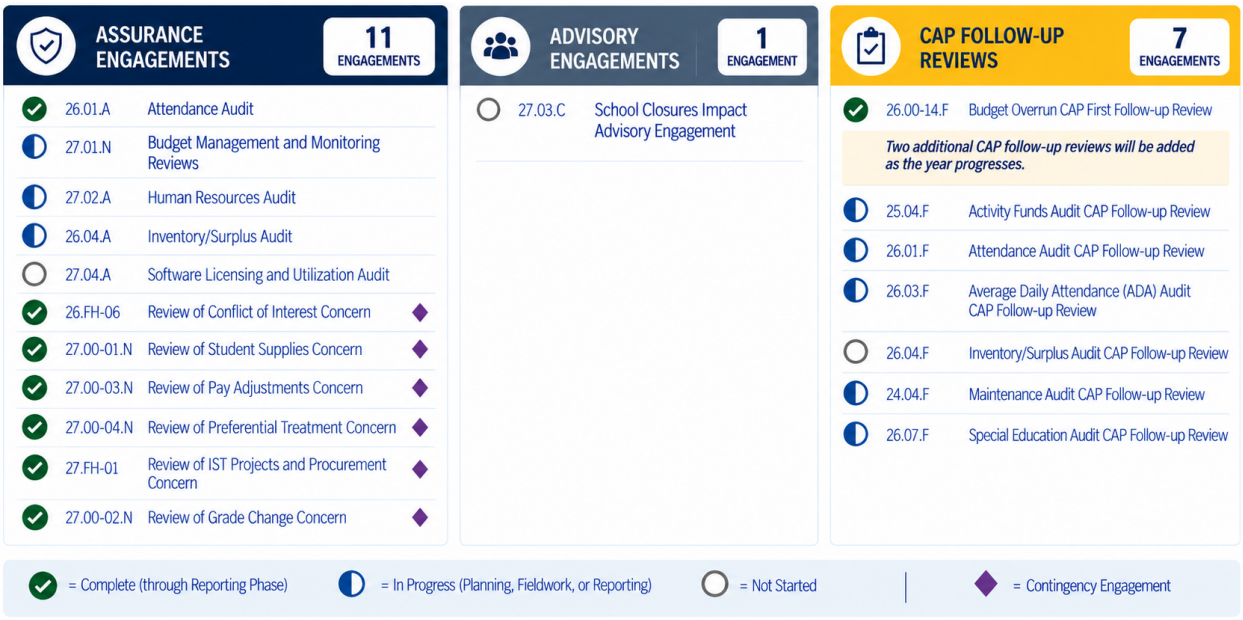


Exhibit 2 provides the status and individual progress of Audit Plan engagements, including contingency assurance engagements, as of October 20, 2026.

Exhibit 2: Status of Internal Audit Engagements



Additional information on the purpose and results of completed engagements is provided in the **Engagement Results** section.

Engagement Results

This section summarizes the objectives, conclusions, and significant results of Internal Audit engagements completed during the reporting period. It also highlights recommendations intended to strengthen District operations, internal controls, and compliance with applicable requirements. Complete engagement reports provide additional details regarding the results, recommendations, and management responses, as applicable.

Assurance Engagements

1. Attendance Audit (26.01.A)

Strategic Priority: Culture of Accountability

Objective: Determine whether students meeting Chronic Absenteeism (CAS) and Truancy (TRU) criteria were accurately identified and coded, required documentation was maintained, required accelerated instruction was provided, and year-end mass removals of CAS/TRU codes were appropriate.

Conclusion: The District had a documented and controlled process for the timely and accurate year-end mass removal of CAS and TRU at-risk codes. However, controls over student identification, coding, documentation, and accelerated instruction were not consistently effective. Testing found that required accelerated instruction was not provided to 73% of CAS students and 59% of TRU students tested. Students were also not consistently identified and coded in accordance with eligibility criteria, and required documentation supporting CAS and TRU coding was incomplete or missing.

Recommended Actions: Internal Audit made four recommendations to strengthen districtwide oversight and accountability for CAS and TRU requirements, provide recurring training, establish quality assurance procedures to monitor compliance, and standardize documentation of required accelerated instruction. Management agreed with the finding and incorporated all four recommendations into its

Corrective Action Plan (CAP). Internal Audit will conduct follow-up reviews to verify implementation of the CAP activities.

2. Review of Conflict of Interest Concern (26.FH-06)

Concern: A concern alleged a potential conflict of interest involving a District administrator whose spouse participated as a guest author at a District literacy event, where his books were reportedly sold, and conducted business with the District.

Determination: Partially Substantiated

Results: The review, conducted in collaboration with Procurement Services, confirmed that the administrator's spouse conducted business with the District totaling $5,975 between fiscal years 2024 and 2026. Required conflict-of-interest disclosures were submitted and approved by the Board. Quotations obtained and information provided by department staff indicated that the vendor's pricing was considered more favorable than other options reviewed. However, records did not demonstrate that the vendor was selected through a Board-approved cooperative purchasing program, as required by Board Policy DBD (LOCAL). The allegation that the vendor personally sold books during a District literacy event could not be substantiated.

Recommended Actions: Internal Audit recommended increasing the frequency of Districtwide communications regarding conflict-of-interest requirements, disclosure obligations, and procurement rules involving employee-related vendors. Although a CAP was not required, Internal Audit also recommended documenting any administrative or management actions taken in response to the report to maintain an audit trail and support future follow-up.

3. Review of Student Supplies Concern (27.00-01.N)

Concern: A concern alleged that a large quantity of school supplies remained undistributed at Franklin High School for most of the 2025–2026 school year and that the unused supplies represented waste.

Determination: Substantiated

Results: Franklin received approximately $81,779 in Title I-funded school supplies, a substantial quantity of which remained unused and stockpiled for approximately seven to eight months. The review determined that the quantity purchased appeared reasonable based on student enrollment; however, weaknesses in campus-level receiving, monitoring, and distribution limited students from receiving the full benefit of the supplies.

The review also found that Title I-funded supplies were transferred to two non-Title I campuses without adequate documentation, students used personal vehicles to transport supplies, and payment was authorized without campus-level documentation verifying the quantities received.

Recommended Actions: Internal Audit recommended strengthening campus receiving procedures; ensuring Title I-funded supplies are appropriately monitored, distributed, and used; addressing supplies transferred to non-Title I campuses; establishing appropriate documentation for future transfers; and evaluating the practice of using students to transport District property between campuses. Although a CAP was not required, Internal Audit recommended that any administrative or management actions taken in response to the report be documented to maintain an audit trail and support future follow-up.

4. Review of IST Projects Concern (27.FH-01)

Concern: An anonymous complaint raised concerns regarding three Information Security and Technology projects: Direct Internet Access (DIA) services provided without a timely purchase order, uninstalled VoIP Public Address (PA) adapters, and delays involving the L3Harris Radio Infrastructure project. The complaint also alleged that improper actions by District personnel contributed to these matters.

Determination: Partially Substantiated

Results: The DIA and Radio Infrastructure allegations were partially substantiated, while the PA adapter allegation was not substantiated. DIA services were provided before a purchase order was issued, and the Radio Infrastructure project experienced schedule extensions. Although the PA adapters were not installed, the review found that the contract did not explicitly include them as a deliverable.

The review did not find evidence that District personnel intentionally concealed information, improperly delayed the projects, or knowingly disregarded safety and security concerns. Management was aware of the matters and was taking actions to address the contractual, funding, and project-related issues. Management reported implementing measures to improve tracking of contracts, purchase orders, invoices, vendor contacts, and renewals.

Recommended Actions: Internal Audit recommended continued improvements to project oversight, and that IST and Police Services jointly evaluate whether the Radio Infrastructure project will address operational radio communication concerns and determine any additional corrective actions. Although a CAP was not required, Internal Audit also recommended that any administrative or management actions taken in response to the report be documented to maintain an audit trail and support future follow-up.

5. Review of Grade Change Concern (27.00-02.N)

Concern: A concern alleged that a long-term substitute was directed to change a Jefferson High School student's grade after the original teacher separated from the District, affecting the student's graduation eligibility. During the review, additional concerns arose regarding grade change documentation, approvals, and compliance with District grading requirements.

Determination: Substantiated

Results: The review, conducted in collaboration with School Leadership, confirmed that a 12th-grade student's third nine-weeks grade was changed from 46 to 75 at the direction of Jefferson's Assistant Principal and with the approval of the Principal. The grade change affected the student's graduation eligibility. The individuals who facilitated, processed, and approved the change did not review the completed make-up work or other academic documentation supporting the revised grade, and the change relied primarily on verbal representations rather than documented academic evidence.

The review also substantiated additional concerns involving incomplete Grade Change Forms, inconsistencies in approval authority, grade changes processed after established deadlines without documented extenuating circumstances, and assignments that had not been graded before grades were posted. Notably, 26 of 44 grade changes tested (59%) were processed after the applicable Data Entry deadline.

Recommended Actions: Recommendations were issued to strengthen grade change documentation, verification, and approval practices; establish procedures for changes processed after grading deadlines; standardize approval workflows across campuses; and reinforce compliance with District grading requirements through training and monitoring. Although a CAP was not required, Internal Audit also recommended that any administrative or management actions taken in response to the report be documented to maintain an audit trail and support future follow-up.

6. Review of Pay Adjustments Concern (27.00-03.N)

Concern: A concern questioned whether salary adjustments provided to certain employees were authorized and approved by the Board.

Determination: Partially Substantiated

Results: Approximately $1.8 million in compensation adjustments supporting the fiscal year 2025–2026 Employee Compensation Plan were presented to and approved by the Board. However, following Board approval, a separate peer equity review was conducted, resulting in approximately $43,500 in additional salary adjustments for 17 employees. Documentation did not demonstrate that the final adjustments were independently reviewed and authorized by the Interim Superintendent or were within the approved compensation budget. The methodology and criteria used to determine which employees were included in the peer equity review were also not documented.

Recommended Actions: Internal Audit recommended Human Resources establish written procedures for future peer equity reviews addressing objective selection criteria, support for recommended adjustments, independent review and authorization, verification of available budget, and retention of supporting analyses, correspondence, and approvals. Although a CAP was not required, Internal Audit also recommended that any administrative or management actions taken in response to the report be documented to maintain an audit trail and support future follow-up.

7. Review of Preferential Treatment Concern (27.00-04.N)

Concern: A concern alleged that an employee received preferential treatment through salary adjustments, extra performance pay, a travel allowance, and issuance of a one-year term administrator contract. During the review, additional concerns arose regarding the administration and monitoring of discretionary compensation.

Determination: Partially Substantiated

Results: The review did not find sufficient evidence to conclude that the employee received preferential treatment, as similar compensation and employment actions were provided to other employees under comparable circumstances.

However, the review found opportunities to strengthen controls over discretionary compensation, including establishing documented methodologies for determining extra performance pay, defining eligibility criteria and amounts for travel allowances, ensuring payments are discontinued when temporary assignments end, and monitoring discretionary compensation expenditures against approved budget allocations.

Recommended Actions: Internal Audit recommended that Human Resources establish written procedures governing discretionary compensation, including eligibility criteria, calculation methodologies, documentation and approval requirements, verification of available funding, periodic monitoring of payments and expenditures, and retention of supporting documentation. Although a CAP was not required, Internal Audit also recommended that any administrative or management actions taken in response to the report be documented to maintain an audit trail and support future follow-up.

Corrective Action Plan Follow-up Review Engagements

8. Budget Overrun CAP First Follow-up Review (26.00-14.F)

Strategic Priority: Culture of Accountability

Objective: To determine whether management implemented the corrective actions developed in response to the Budget Overrun Review and whether those actions adequately addressed the related audit findings and recommendations. The review focused on the four (4) CAP activities scheduled for completion through September 30, 2026.

Results: The review confirmed that management implemented four (4) of the nine (9) CAP activities (44%). The implemented activities adequately addressed the related audit findings and recommendations.

The corrective actions represent significant progress in strengthening the District's financial management, transparency, and accountability practices. District leadership and management established formal processes for financial reporting, financial risk identification and escalation, budget assumption monitoring, additional budget requests, and staffing and position control. Leadership also issued an administrative directive formalizing expectations for professionalism, collaboration, transparency, and shared accountability.

CAP Status: Open. Four of the nine CAP activities (44%) have been implemented. The remaining five activities are scheduled for completion between October 2026 and June 2027. Internal Audit will continue monitoring implementation of the outstanding activities and reporting their status to the Board.

Corrective Action Plans (CAPs) are an important component of the District's accountability and risk management processes. They establish management's commitment to addressing audit findings and recommendations, strengthening internal controls, and mitigating identified risks.

District leadership and management are responsible for developing and implementing CAPs, including ensuring that corrective actions are completed timely and adequately address the underlying findings and risks.

Internal Audit is responsible for independently monitoring and verifying the implementation of corrective actions, in accordance with the Institute of Internal Auditors' Global Internal Audit Standard 15.2. Through follow-up reviews, Internal Audit assesses whether corrective actions have been implemented and, when appropriate, whether they effectively address the underlying risks. The Chief Internal Auditor reports CAP implementation status to the Board quarterly.

Status of Corrective Action Plans

As of October 20, 2026, six CAPs comprising 51 activities remained open. Of these activities, 27 (53%) were implemented, four (8%) were not implemented, and 20 (39%) remained open with future implementation dates. **Exhibit 3** summarizes the status of each CAP and its associated activities.

Exhibit 3: Status of Corrective Action Plans

Project Code	Audit Project Name	Status of CAP Activities	Total Activities	Completion Percentage
24.04.F	Maintenance Audit CAP	7 / 2 / 2	11	82%
25.04.F	Activity Funds Audit CAP	6 / 7	13	46%
26.00-14.F	Budget Overrun Review CAP	4 / 5	9	44%
26.01.F	Attendance Audit CAP	4	4	0%
26.03.F	Average Daily Attendance CAP	6 / 2 / 1	9	89%
26.07.F	Special Education Audit CAP	4 / 1	5	80%





Four (4) CAP activities were classified as not implemented: two associated with the Maintenance Audit CAP, which were not pursued due to formal risk acceptance or changes in operational practices, and two associated with the Average Daily Attendance (ADA) Audit CAP, which were implemented but determined to be ineffective based on follow-up testing.

1. Maintenance Audit CAP: Two CAP activities were not implemented.
   a. The first involved reviewing work orders across maintenance trades to compare actual labor hours and develop a reference guide establishing estimated labor hours for specific tasks. Management formally accepted the risk associated with not implementing this activity and established alternative monitoring measures, including weekly work order oversight and enhanced tracking and reporting.

b. The second activity involved developing an exception report to monitor maintenance employees' daily work hours. This activity was determined to be no longer applicable due to operational changes, including the implementation of Service Level Agreements (SLAs) and an additional CAP activity to strengthen work order monitoring.

2. Average Daily Attendance (ADA) Audit CAP: Two CAP activities were determined to be not effectively implemented because the corrective actions did not adequately address the underlying audit findings.
   a. The first activity involved strengthening controls over ADA eligibility coding. Follow-up testing of 60 student records disclosed coding errors in 14 (23%), including seven errors that could affect state funding. The errors involved missing, inconsistent, or invalid residency documentation and missing residency or guardianship affidavits.

   b. The second activity involved correcting previously identified ADA coding and documentation exceptions for four students. Follow-up testing confirmed that two exceptions were addressed; however, the remaining two lacked the required supporting documentation.

   Additional Planned Corrective Actions: In response to the follow-up results, management outlined additional corrective actions to strengthen ADA eligibility coding and oversight. These include enhanced training for campus personnel, six-week campus self-audits and administrative certifications, District-level monitoring to identify coding discrepancies, and improved verification of residency documentation. Beginning with the 2027–2028 school year, management also plans to modify the annual student information system rollover process to require verification of student residency information before assigning ADA membership codes.

El Paso ISD Board

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Dr. Jack Loveridge | Vice-President
Alex Cuellar | Secretary
Brian Kelley | Trustee
Dr. Matthew Reza | Trustee
Robert Osterland | Trustee
Mindy Sutton | Trustee

Internal Audit

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