

RISK ASSESSMENT FISCAL YEAR 2005-2006

PROJECT REPORT

Audit Control Number: 06-11
August 17, 2006



Issued: August 17, 2006

**LOUISIANA DEPARTMENT OF EDUCATION
BUREAU OF INTERNAL AUDIT
Baton Rouge, LA**

NOTICE

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August 17, 2006

Board of Elementary and Secondary Education
Cecil J. Picard, Superintendent of Education
Louisiana Department of Education

Enclosed is our risk assessment of the Department's programs for fiscal year 2005-2006. This project was undertaken to update our prior risk assessment which was performed in FY2000 and develop a long-term audit plan for the Department.

Respectfully submitted,

A handwritten signature in blue ink that reads "Dudley J. Garidel, Jr.".

Dudley J. Garidel, Jr.
Director of Internal Audit

DJGJr:JAR:TDP

Enclosure

Distribution:

Board of Elementary and Secondary Education (11)
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EXECUTIVE SUMMARY

This document contains an audit risk assessment for the Louisiana Department of Education (SDE). The main objective of assessing risk exposure is to identify those areas considered essential to SDE operations when developing an audit plan and reasonably ensuring activities with the greatest risk are audited. The risk assessment strengthens the audit planning and scheduling process; however, it is not intended to replace professional judgment, but, rather to supplement it.

The risk assessment and audit planning process consists of the following four basic steps:

1. Develop a method to identify departmental functions and programs.
2. Identify potential audit areas.
3. Assess risk and rank audit areas in order of priority.
4. Select audits for the annual audit plan.

We developed a list of SDE functions/programs by reviewing the department's organizational chart structure and interviewing management. Specifically, potential audit areas were identified through interviews conducted with Deputies, Assistants Superintendent, and Division Directors. Surveys on the significance and ranking of risk factors were completed by Deputies, Assistants Superintendent, and BESE members. Additionally, questionnaires to evaluate the impact of risk factors upon each function were completed by Division Directors. All potential audit areas were weighted based on the averages from survey of risk factors and the questionnaire responses, which considered the results of prior audits, as applicable, and the control environment in which the processes reside.

We then ranked the potential audit areas in descending order from highest to lowest final risk scores. These rankings will be a primary, although not the sole, source from which we develop our annual audit plan. Although it is desirable for any audit plan to be risk-based, the reality is a number of factors, such as potential fraud or compliance considerations, might cause an annual audit plan to contain audits or projects taken out of order or not contained in these rankings. Completing this cycle of audits within a five-year timeframe will depend upon a number of factors such as staffing and special projects.

DESCRIPTION of RISK FACTORS

Each of the following factors was given to senior management to rate relative importance (see Weighting of Survey Risk Factors table on page 4).

Quality of Automated Controls

Automated controls are computerized actions implemented by management to enhance the likelihood established objectives and goals will be achieved. The evaluation of automated controls in a particular area of activity must address the requirements of this definition. The objectives of this evaluation are to determine whether: a) a system of automated controls exists; b) the system is operating effectively; and c) the system of controls is adequate.

Quality of Manual Controls

Manual controls are noncomputerized, paper based systems or procedures implemented by management to enhance the likelihood established objectives and goals will be achieved. The objectives of this evaluation are to determine whether: a) a system of written or implied procedures exists; b) the system is operating effectively; and c) the system of controls is adequate.

Financial Analysis

The amount of funds flowing through an entity, department, or division, and the related accounts. This evaluation includes the actual annual budget and/or the amount of federal funds received. It also considers the possible impact a diversion or misapplication of funds may have on the Department.

Security of Assets

The determination of the liquidity of the assets and the extent these assets are safeguarded. The significance of the assets involved relative to identification of assets and the controls of the unit to secure these assets are considered.

Public Disclosure Implications

The potential public relations impact if an error is made or if confidential, sensitive information is made public. The types of issues addressed include formal policy, confidentiality of information, and external factors such as reporting requirements, political changes, and regulations.

Complexity of Operations

A measure of the complexity of an activity with regard to the number of techniques or procedures necessary to complete a process and the number of different data systems or departments with which the activity must interface. Complexity can increase both the probability of error and resources needed to monitor the system.

Management

The ability and experience of management to ensure the effectiveness, efficiency, and continuation of unit operations. This evaluation involves review of management procedures for the assurance of work performance, employee responsibilities, and continuity of operations.

Results and Time Since Last Audit

Prior audit results and the length of time since the last audit. The observations and related recommendations from previous audits must be evaluated based on their importance to the overall activity. In general, risk increases as the time since the last audit increases.

Changes in Systems, Processes, or Procedures

A recent change in system, process, or procedure may invalidate past performance or past audit results as measures of internal control. A change may also bring about new responsibilities, pressures, expectations, etc., which may increase risk. Conversion from a manual to computerized process is an example of this type of change.

Weighting of Survey Risk Factors (Maximum to Minimum Risk)

Risk Factors	Management Survey Responses									Average of Management Rankings (J)	Audit Director Ranking (K)	Total Average Ranking (J+K / 2)	Final Ranking
	1	2	3	4	5	6	7	8	9				
Management	8	4	6	4	8	3	9	9	7	6.44	9	7.72	9
Public Disclosure Implications	9	2	9	2	5	4	3	5	3	4.67	8	6.33	8
Complexity of Operations	5	5	4	3	7	8	8	6	2	5.33	7	6.17	7
Quality of Automated Controls	3	7	7	6	9	6	6	1	6	5.67	5	5.33	6
Quality of Manual Controls	2	8	5	7	6	5	7	7	5	5.78	4	4.89	5
Security of Assets	4	6	8	9	3	7	5	4	8	6.00	3	4.50	4
Changes in Systems, Processes, or Procedures	7	3	1	1	2	1	1	8	1	2.78	6	4.39	3
Financial Analysis	1	9	3	5	4	9	4	2	9	5.11	1	3.06	2
Results and Time Since Last Audit	6	1	2	8	1	2	2	3	4	3.22	2	2.61	1

Management Key
1. Deputy Superintendent of Education
2. Deputy Superintendent of Management & Finance
3. Deputy Undersecretary
4. Assistant Superintendent (Office of School and Community Support)
5. Assistant Superintendent (Office of Quality Educators)
6. Assistant Superintendent (Office of Student and School Performance)
7. Special School District State Director
8. BESE Executive Director
9. BESE Finance/Audit Review Committee Chairman

Note: The State Superintendent of Education deferred his rankings to the Deputies Superintendent; therefore, responses from nine members of Executive Management are shown instead of ten as documented in the previous risk assessment.

Ranking of Audit Areas

Risk Factor Summary

AUDIT AREA	SECTION / DIVISION	Audit Value	Automated Controls	Manual Controls	Financial Analysis	Security of Assets	Public Disclosure	Complexity of Operations	Mgmt.	Last Audit	System Change	Final Risk Score
Voyager Literacy Initiative	School Support / School and Community Support	Significant Ranking Descriptive Value Extended Value	6 20 120	5 20 100	2 2 4	4 21 84	8 12 96	7 4 28	9 21 189	1 20 20	3 2 6	14.37778
School Climate Score	Coordinated School Health / School and Community Support	Significant Ranking Descriptive Value Extended Value	6 20 120	5 20 100	2 2 4	4 21 84	8 13 104	7 4 28	9 18 162	1 20 20	3 3 9	14.02222
Positive Behavior Support	Coordinated School Health / School and Community Support	Significant Ranking Descriptive Value Extended Value	6 20 120	5 20 100	2 2 4	4 21 84	8 13 104	7 4 28	9 18 162	1 20 20	3 3 9	14.02222
Administration	Educational Improvement and Assistance	Significant Ranking Descriptive Value Extended Value	6 16 96	5 16 80	2 7 14	4 7 28	8 19 152	7 9 63	9 15 135	1 10 10	3 8 24	13.37778
Accountability Analysis	Standards Assessments and Accountability	Significant Ranking Descriptive Value Extended Value	6 12 72	5 12 60	2 8 16	4 11 44	8 11 88	7 9 63	9 18 162	1 20 20	3 7 21	12.13333
Curriculum Access	Educational Improvement and Assistance	Significant Ranking Descriptive Value Extended Value	6 8 48	5 16 80	2 7 14	4 12 48	8 8 64	7 8 56	9 19 171	1 20 20	3 7 21	11.60000
Accountability Policy and Research	Standards, Assessments and Accountability	Significant Ranking Descriptive Value Extended Value	6 12 72	5 12 60	2 8 16	4 11 44	8 11 88	7 4 28	9 18 162	1 20 20	3 8 24	11.42222
Specialized Services - Transportation	Ancillary Resources / Educational Improvement and Assistance	Significant Ranking Descriptive Value Extended Value	6 16 96	5 20 100	2 2 4	4 13 52	8 12 96	7 5 35	9 11 99	1 20 20	3 4 12	11.42222
Budgeting - MFP Administration	Education Finance	Significant Ranking Descriptive Value Extended Value	6 20 120	5 8 40	2 6 12	4 9 36	8 14 112	7 4 28	9 11 99	1 20 20	3 4 12	10.64444
School Renovation and Idea B Grant Closeout	School Support / School and Community Support	Significant Ranking Descriptive Value Extended Value	6 20 120	5 4 20	2 8 16	4 10 40	8 12 96	7 4 28	9 14 126	1 20 20	3 4 12	10.62222
TANF - Afterschool for All	School Support / School and Community Support	Significant Ranking Descriptive Value Extended Value	6 20 120	5 4 20	2 7 14	4 10 40	8 12 96	7 4 28	9 14 126	1 20 20	3 4 12	10.57778
Project Serve	Coordinated School Health / School and Community Support	Significant Ranking Descriptive Value Extended Value	6 20 120	5 4 20	2 7 14	4 10 40	8 12 96	7 4 28	9 14 126	1 20 20	3 4 12	10.57778

Ranking of Audit Areas (cont'd)

Risk Factor Summary

AUDIT AREA	SECTION / DIVISION	Audit Value	Automated Controls	Manual Controls	Financial Analysis	Security of Assets	Public Disclosure	Complexity of Operations	Mgmt.	Last Audit	System Change	Final Risk Score
Rural Education and Achievement Program (REAP)	School Support / School and Community Support	Significant Ranking	6	5	2	4	8	7	9	1	3	10.57778
		Descriptive Value	20	4	7	10	12	4	14	20	4	
		Extended Value	120	20	14	40	96	28	126	20	12	
21st Century	School Support / School and Community Support	Significant Ranking	6	5	2	4	8	7	9	1	3	10.53333
		Descriptive Value	20	4	6	10	12	4	14	20	4	
		Extended Value	120	20	12	40	96	28	126	20	12	
Supplemental Education Services (SES)	School Support / School and Community Support	Significant Ranking	6	5	2	4	8	7	9	1	3	10.48889
		Descriptive Value	20	4	5	10	12	4	14	20	4	
		Extended Value	120	20	10	40	96	28	126	20	12	
LA CHIP	Coordinated School Health / School and Community Support	Significant Ranking	6	5	2	4	8	7	9	1	3	10.44444
		Descriptive Value	20	4	4	10	12	4	14	20	4	
		Extended Value	120	20	8	40	96	28	126	20	12	
HIV-AIDS Cooperative Agreement	Coordinated School Health / School and Community Support	Significant Ranking	6	5	2	4	8	7	9	1	3	10.40000
		Descriptive Value	20	4	3	10	12	4	14	20	4	
		Extended Value	120	20	6	40	96	28	126	20	12	
Nutrition Education and Training (NET)	Coordinated School Health / School and Community Support	Significant Ranking	6	5	2	4	8	7	9	1	3	10.40000
		Descriptive Value	20	4	3	10	12	4	14	20	4	
		Extended Value	120	20	6	40	96	28	126	20	12	
Administration	Special School District	Significant Ranking	6	5	2	4	8	7	9	1	3	10.24444
		Descriptive Value	8	12	8	8	15	8	11	9	7	
		Extended Value	48	60	16	32	120	56	99	9	21	
Professional Accountability	Professional Development	Significant Ranking	6	5	2	4	8	7	9	1	3	9.75556
		Descriptive Value	12	8	3	8	12	8	11	20	6	
		Extended Value	72	40	6	32	96	56	99	20	18	
Assessment Development	Standards, Assessments & Accountability	Significant Ranking	6	5	2	4	8	7	9	1	3	9.68889
		Descriptive Value	4	4	8	8	15	9	15	20	2	
		Extended Value	24	20	16	32	120	63	135	20	6	
Assessment Administration	Standards, Assessments, & Accountability	Significant Ranking	6	5	2	4	8	7	9	1	3	9.60000
		Descriptive Value	4	8	8	8	12	9	15	20	2	
		Extended Value	24	40	16	32	96	63	135	20	6	
Regional Education Service Centers	Regional Education Service Centers	Significant Ranking	6	5	2	4	8	7	9	1	3	9.48889
		Descriptive Value	16	8	7	10	15	4	6	20	5	
		Extended Value	96	40	14	40	120	28	54	20	15	
Assessment Research and Technology	Standards, Assessments & Accountability	Significant Ranking	6	5	2	4	8	7	9	1	3	9.33333
		Descriptive Value	4	8	8	8	15	9	11	20	2	
		Extended Value	24	40	16	32	120	63	99	20	6	

Ranking of Audit Areas (cont'd)

Risk Factor Summary

AUDIT AREA	SECTION / DIVISION	Audit Value	Automated Controls	Manual Controls	Financial Analysis	Security of Assets	Public Disclosure	Complexity of Operations	Mgmt.	Last Audit	System Change	Final Risk Score
Elementary Standards	Standards, Assessments, & Accountability	Significant Ranking Descriptive Value Extended Value	6 4 24	5 8 40	2 8 16	4 8 32	8 12 96	7 9 63	9 14 126	1 7 7	3 5 15	9.31111
Program Services	Educational Improvement & Assistance	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 10 20	4 11 44	8 8 64	7 9 63	9 15 135	1 20 20	3 7 21	9.13333
Community Support	Community Support / School and Community Support	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 6 12	4 10 40	8 11 88	7 9 63	9 15 135	1 20 20	3 3 9	9.13333
Child and Adult Day Care	Nutrition Assistance	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 7 14	4 10 40	8 11 88	7 9 63	9 15 135	1 7 7	3 3 9	8.88889
Family Day Care Homes	Nutrition Assistance	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 7 14	4 10 40	8 11 88	7 9 63	9 15 135	1 7 7	3 3 9	8.88889
School Food Service Program	Nutrition Assistance	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 7 14	4 10 40	8 11 88	7 9 63	9 15 135	1 7 7	3 3 9	8.88889
Summer Food Service Program	Nutrition Assistance	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 6 12	4 10 40	8 11 88	7 9 63	9 15 135	1 6 6	3 3 9	8.82222
Communications and Legislative Services	Communications and Legislative Services	Significant Ranking Descriptive Value Extended Value	6 8 48	5 12 60	2 3 6	4 10 40	8 11 88	7 8 56	9 7 63	1 20 20	3 4 12	8.73333
Middle and Secondary Standards	Standards, Assessments & Accountability	Significant Ranking Descriptive Value Extended Value	6 8 48	5 8 40	2 8 16	4 12 48	8 11 88	7 9 63	9 7 63	1 6 6	3 6 18	8.66667
Nutrition Education Resolution and Data Services	Nutrition Assistance	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 2 4	4 10 40	8 11 88	7 9 63	9 15 135	1 6 6	3 3 9	8.64444
Special Milk Program	Nutrition Assistance	Significant Ranking Descriptive Value Extended Value	6 0 0	5 4 20	2 3 6	4 6 24	8 11 88	7 5 35	9 15 135	1 20 20	3 3 9	8.64103
Program Review	Educational Improvement & Assistance	Significant Ranking Descriptive Value Extended Value	6 4 24	5 12 60	2 3 6	4 7 28	8 8 64	7 9 63	9 11 99	1 20 20	3 8 24	8.62222

Ranking of Audit Areas (cont'd)

Risk Factor Summary

AUDIT AREA	SECTION / DIVISION	Audit Value	Automated Controls	Manual Controls	Financial Analysis	Security of Assets	Public Disclosure	Complexity of Operations	Mgmt.	Last Audit	System Change	Final Risk Score
Student Services	Educational Improvement & Assistance	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 7 14	4 6 24	8 8 64	7 5 35	9 19 171	1 20 20	3 4 12	8.53333
Technical Assistance and Administration	Professional Development	Significant Ranking Descriptive Value Extended Value	6 8 48	5 8 40	2 9 18	4 6 24	8 8 64	7 8 56	9 11 99	1 20 20	3 5 15	8.53333
Teacher Certification and Higher Education	Teacher Certification & Higher Education	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 2 4	4 6 24	8 12 96	7 8 56	9 14 126	1 20 20	3 4 12	8.48889
Auditing - State Audit	Education Finance	Significant Ranking Descriptive Value Extended Value	6 0 0	5 4 20	2 2 4	4 8 32	8 15 120	7 4 28	9 10 90	1 20 20	3 4 12	8.35897
Budgeting - Grants (State and Federal)	Education Finance	Significant Ranking Descriptive Value Extended Value	6 4 24	5 8 40	2 10 20	4 8 32	8 13 104	7 7 49	9 7 63	1 20 20	3 5 15	8.15556
Auditing - Federal Audit	Education Finance	Significant Ranking Descriptive Value Extended Value	6 0 0	5 4 20	2 4 8	4 8 32	8 13 104	7 4 28	9 10 90	1 20 20	3 4 12	8.05128
Budgeting - State Activities	Education Finance	Significant Ranking Descriptive Value Extended Value	6 4 24	5 8 40	2 8 16	4 8 32	8 13 104	7 3 21	9 10 90	1 20 20	3 4 12	7.97778
Specialized Services - Homeless	Ancillary Resources / Educational Improvement & Assistance	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 7 14	4 7 28	8 8 64	7 8 56	9 11 99	1 20 20	3 7 21	7.68889
Planning and Analysis	Planning, Analysis, and Information Resources	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 6 12	4 8 32	8 8 64	7 9 63	9 11 99	1 20 20	3 4 12	7.68889
Information Technology Services	Planning, Analysis, and Information Resources	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 6 12	4 8 32	8 8 64	7 9 63	9 11 99	1 20 20	3 4 12	7.68889
Data Management	Planning, Analysis, and Information Resources	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 6 12	4 8 32	8 8 64	7 9 63	9 11 99	1 20 20	3 4 12	7.68889
Assistance	Ancillary Resources / Educational Improvement & Assistance	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 3 6	4 7 28	8 7 56	7 8 56	9 11 99	1 20 20	3 6 18	7.26667

Ranking of Audit Areas (cont'd)

Risk Factor Summary

AUDIT AREA	SECTION / DIVISION	Audit Value	Automated Controls	Manual Controls	Financial Analysis	Security of Assets	Public Disclosure	Complexity of Operations	Mgmt.	Last Audit	System Change	Final Risk Score
Purchasing and Contracts	Purchasing and Contracts / Appropriation Control	Significant Ranking Descriptive Value Extended Value	6 4 24	5 8 40	2 5 10	4 5 20	8 12 96	7 8 56	9 7 63	1 5 5	3 4 12	7.24444
Expenditure Control	Expenditure Control / Appropriation Control	Significant Ranking Descriptive Value Extended Value	6 4 24	5 8 40	2 5 10	4 5 20	8 12 96	7 8 56	9 7 63	1 5 5	3 4 12	7.24444
Financial Management	Financial Management / Appropriation Control	Significant Ranking Descriptive Value Extended Value	6 4 24	5 8 40	2 5 10	4 5 20	8 12 96	7 8 56	9 7 63	1 5 5	3 4 12	7.24444
Staff Development and Training	Professional Development	Significant Ranking Descriptive Value Extended Value	6 8 48	5 4 20	2 5 10	4 6 24	8 8 64	7 8 56	9 7 63	1 20 20	3 5 15	7.11111
Scholastic Audit	School Performance / Educational Improvement & Assistance	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 5 10	4 8 32	8 8 64	7 9 63	9 7 63	1 20 20	3 7 21	7.04444
Distinguished Educators	School Performance / Educational Improvement & Assistance	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 3 6	4 8 32	8 9 72	7 5 35	9 11 99	1 7 7	3 5 15	6.88889
Badge Security Administration	Operational Support / Appropriation Control	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 3 6	4 5 20	8 11 88	7 8 56	9 6 54	1 20 20	3 4 12	6.66667
Leadership and Instructional Technology	Louisiana Center for Educational Technology	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 5 10	4 8 32	8 7 56	7 9 63	9 7 63	1 20 20	3 4 12	6.66667
Legal Services	Legal	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 3 6	4 6 24	8 7 56	7 5 35	9 11 99	1 20 20	3 4 12	6.57778
La Youth Educational and Recreational Center	La Youth Educational and Recreational Center	Significant Ranking Descriptive Value Extended Value	6 0 0	5 4 20	2 2 4	4 8 32	8 9 72	7 3 21	9 10 90	1 8 8	3 3 9	6.56410
Learning Intensive Networking Communities For Success (LINCS)	Professional Development	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 7 14	4 8 32	8 7 56	7 5 35	9 7 63	1 20 20	3 7 21	6.33333
Tech Planning and Development	Louisiana Center for Educational Technology	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 9 18	4 8 32	8 6 48	7 9 63	9 7 63	1 5 5	3 4 12	6.33333

Ranking of Audit Areas (cont'd)

Risk Factor Summary

AUDIT AREA	SECTION / DIVISION	Audit Value	Automated Controls	Manual Controls	Financial Analysis	Security of Assets	Public Disclosure	Complexity of Operations	Mgmt.	Last Audit	System Change	Final Risk Score
Recovery School District	Recovery School District	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 6 12	4 7 28	8 9 72	7 5 35	9 7 63	1 20 20	3 3 9	6.28889
Operations	Human Resources	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 2 4	4 6 24	8 8 64	7 8 56	9 7 63	1 6 6	3 6 18	6.20000
Recruitment and Compensation	Human Resources	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 2 4	4 6 24	8 8 64	7 8 56	9 7 63	1 6 6	3 6 18	6.20000
Telecommunications	Operational Support / Appropriation Control	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 3 6	4 6 24	8 9 72	7 4 28	9 7 63	1 20 20	3 7 21	6.17778
Teacher Advancement Program Including Fund for Improvement of Education (FIE) Grant	Professional Development	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 4 8	4 6 24	8 6 48	7 9 63	9 6 54	1 20 20	3 4 12	6.06667
Even Start Program	Family and Youth Development / Family, Career, & Technical	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 7 14	4 6 24	8 8 64	7 5 35	9 6 54	1 20 20	3 5 15	6.00000
Strategies To Empower People (STEP)	Adult & Family Literacy Services / Family, Career, & Technical Education	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 7 14	4 6 24	8 8 64	7 5 35	9 6 54	1 20 20	3 5 15	6.00000
Supplies/DOE Stockroom	Operational Support / Appropriation Control	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 3 6	4 10 40	8 5 40	7 7 49	9 6 54	1 20 20	3 5 15	5.95556
Jobs For America's Graduates (JAG)	Adult & Family Literacy Services / Family, Career, & Technical Education	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 3 6	4 6 24	8 8 64	7 5 35	9 6 54	1 20 20	3 5 15	5.82222
Migrant	Family and Youth Development / Family, Career, & Technical	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 7 14	4 6 24	8 8 64	7 5 35	9 6 54	1 9 9	3 5 15	5.75556
Adult Education	Adult & Family Literacy Services / Family, Career, & Technical Education	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 8 16	4 6 24	8 8 64	7 5 35	9 6 54	1 6 6	3 5 15	5.73333
Carl Perkins Secondary Vocational Education Program (Perkins)	Career & Technical Education / Family, Career, & Technical Education	Significant Ranking Descriptive Value Extended Value	6 4 24	5 4 20	2 8 16	4 6 24	8 8 64	7 5 35	9 6 54	1 8 8	3 4 12	5.71111

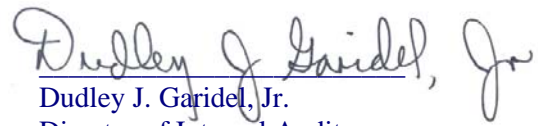
Ranking of Audit Areas (cont'd)

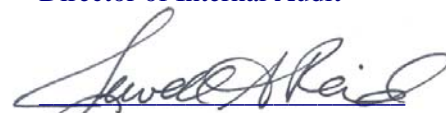
Risk Factor Summary

AUDIT AREA	SECTION / DIVISION	Audit Value	Automated Controls	Manual Controls	Financial Analysis	Security of Assets	Public Disclosure	Complexity of Operations	Mgmt.	Last Audit	System Change	Final Risk Score
Methods of Administration (MOA)	Career & Technical Education / Family, Career, & Technical Education	Significant Ranking	6	5	2	4	8	7	9	1	3	5.71111
		Descriptive Value	4	4	8	6	8	5	6	8	4	
		Extended Value	24	20	16	24	64	35	54	8	12	
Moveable Property	Operational Support / Appropriation Control	Significant Ranking	6	5	2	4	8	7	9	1	3	5.62222
		Descriptive Value	4	4	3	8	5	8	6	9	4	
		Extended Value	24	20	6	32	40	56	54	9	12	
8G High School Redesign	Career & Technical Education / Family, Career, & Technical Education	Significant Ranking	6	5	2	4	8	7	9	1	3	5.46667
		Descriptive Value	4	4	2	6	7	5	6	20	3	
		Extended Value	24	20	4	24	56	35	54	20	9	
Home Instruction Program for Parents of Youth (HIPPY)	Family and Youth Development / Family, Career, & Technical	Significant Ranking	6	5	2	4	8	7	9	1	3	5.37778
		Descriptive Value	4	4	2	6	8	5	6	5	4	
		Extended Value	24	20	4	24	64	35	54	5	12	

Our risk assessment was conducted in accordance with *The Standards for the Professional Practice of Internal Auditing* and the *Code of Ethics* issued by the Institute of Internal Auditors. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

We acknowledge with appreciation the courtesies extended to our representatives during the project.


Dudley J. Garidel, Jr.
Director of Internal Audit


Jewell A. Reid, CIA
Audit Supervisor