

Thinking Through a School-Based Services Program Audit

THE TEN P'S OF AUDIT PREPARATION

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The Ten P's of Audit Preparation

Prepare

- **Be prepared for the audit ahead of time.**
- Have guidelines for how your school-based services program works.
- Create timelines for all staff.
- Checks and balances will assist with compliance.
- Train all staff for compliance.
- Regularly self-evaluate your documentation.

Precise

- Review the audit expectations to ensure you meet the **precise** requirements. Leave nothing out!
- Read the notification thoroughly to be sure you understand the scope of the audit.
- Read the audit letter carefully and provide everything that it asks for.
- Communicate the specifics of the audit both to leadership and to all stakeholders.



Plan

- Have a **plan** and follow it.
- Create a plan of action to collect all the documents required as part of the audit.
- Assign the overall coordinator to pulling everything together.
- Assign each item from the list to a responsible person and include a due date.
- Make sure to allow adequate time for review and correction of schedules if necessary.
- Pay attention to the deadlines. If a deadline is approaching and the records are not going to be ready, contact the auditor and request an extension before it is due. Do this by telephone and follow up with a letter (not an email). Send the letter before the deadline.



Predict

- **Predict** the auditor's questions.
- As you collect the documentation and review your data, think about who will be reviewing your information.
- Remember they probably are not educators. They have experience with medical insurance. You may need to explain what you are sending.
- Draw the auditors attention to what they are looking for.
- The temptation is to think that because the records make sense to you, they will make sense to the auditor.
- The biggest mistake that someone who is the subject of an audit can make is to hastily copy only a portion of the available records and send them off for review.



Past

• **Learn from the past.**

- Take stock of any prior year audit adjustments, internal recommendations, or struggles encountered during prior audits
- Have you been involved in an audit before, what was the outcome?
- What has been successful in past audits? What has been a problem in the past?
- Is there someone you have access to that has gone through an audit in the past?



Partner

• **Build partnerships across the district to assist in gathering everything.**

- Communicate that it is all hands on deck and expect support from the team. This takes a team.
- Ask your billing support if available. Remember, you are not alone.
- Call the agency that will be auditing your district if you have questions. They want to help you to ensure they get all the documents they need.
- Any telephone communication with the auditor should be followed up with a letter confirming the telephone conference.



Stakeholders in Audits

It take a lot of manpower to pull everything together



Polished

• **Take the time to ensure everything looks polished.**

- Plan for a professional submission.
- Have a table of contents. Use dividers. Have a uniform submission.
- Send a cover letter with the requested documents and records explaining what is included and how it is organized as well as who to contact if the auditors have any questions.
- It is so important to compile a thorough set of records that are presented in a clearly labeled and organized fashion that provide justification for every service or item billed.
- Setting the expectation that your submission will be complete and compliant.



Perform

• **Perform a self-review to evaluate your submission.**

- Before finalizing everything and sending it in, have someone look over everything.
- Use a checklist approach to ensure you have addressed everything.
- Determine any discrepancies, admit them, address them and create a plan of action to ensure they do not occur in the future.
- Make a copy of everything you send exactly as it is sent. This way there are no valid questions later on as to whether a particular document was forwarded to the auditors.



Patient

• **Be patient. Sometimes it take a while for a response to your audit.**

- Send the response package using some form of package tracking or delivery confirmation to arrive before the deadline.
- Celebrate the success of pulling everything together and getting it out the door.
- While you may have only been given a few weeks, remember that the agency is auditing across the state.
- This may mean you have some time to wait for a response.



Protest

- Don't be afraid to **protest** if you feel like the audit missed something.
- If you do not agree with the results, you have the right to appeal.
- Think about an appeal. What is the potential upside? Downside?
- Think about the long game. Is it worth staff time?
- We are all human, even your auditor. Maybe you just need to explain.



Questions/Comments



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