

Operational Performance Audit Winston Salem/Forsyth County Schools

November 18, 2025

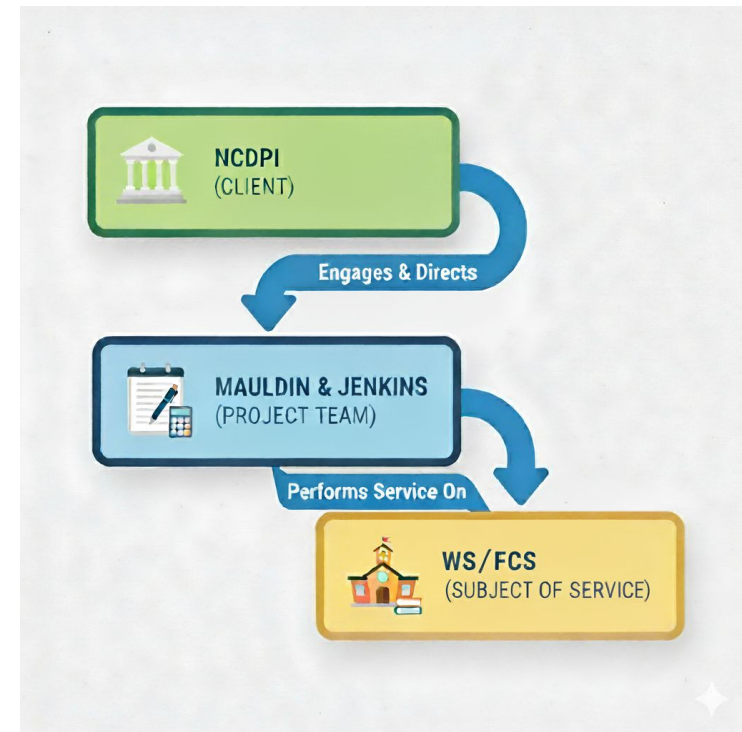
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Purpose of the Engagement

Mauldin and Jenkins has been engaged by the North Carolina Department of Public Instruction (NCDPI) to conduct an Operational/Performance Audit of Winston Salem, Forsyth County Schools (WS/FCS).

- Determine adequacy of controls
- Assess fiscal governance
- Provide a prospective Corrective Action Roadmap



Scope and Approach

We understand the underlying issues and the need to take a forward-looking perspective. To accomplish the project objectives, we affirm the following areas are in scope. In reviewing the scope areas, we have highlighted the focus for the respective scope area.

| Scope Area | Focus Area |
|---|--|
| 1. Internal Controls and Fiscal Policies/Procedures | Review existing fiscal policies for adequacy and alignment with best practices. Assess internal controls (including in the ERP system) to prevent recurrence of OSA/external auditor issues (e.g., segregation of duties, approval hierarchy, user access controls). |
| 2. Purchasing and Contracting | Evaluate controls to ensure purchase orders and contracts are supported by available budget authority prior to commitment. Assess monitoring processes to track contract performance and vendor payments. |
| 3. Financial Reporting and Transparency | Assess the timeliness, accuracy, and completeness of budgeting and financial reporting. Review practices to ensure key financial risks and material budget variances are communicated promptly. |
| 4. Audit Findings and Corrective Actions | Review the systems for tracking, addressing, and preventing recurrence of audit findings from both State and external auditors. Assess clear assignment of responsibility, accountability, and timelines for corrective actions. |
| 5. Identification of Needed Internal Controls | Identify opportunities for the client to adopt all necessary internal controls and implement measures to ensure they are carried out with fidelity. |
| 6. Implementation Roadmap | Provide a Corrective Action Roadmap with prioritized recommendations, responsible parties, and an implementation timeline, including short-term corrective measures and longer-term structural improvements. |



Scope and Approach

Our structured approach is divided into three integrated components: a detailed Work Plan, a rigorous Technical Approach, and a Timeline.

Four Phase Work Plan

| PHASE | DURATION | KEY ACTIVITIES/MILESTONES |
|---|------------------------------|---|
| Phase 1: Initiation and Planning | October 2025 (Initial Weeks) | Kick-off Meeting, discussing scope, timing, and protocols. Development of Initial Information and Interview Requests. |
| Phase 2: Information Gathering | October - November 2025 | Obtain required documents and conduct initial interviews. Submit Additional Information and Interview Requests as needed. |
| Phase 3: Control Assessment & Data Analysis | October - December 2025 | Review collected data, conduct further interviews, perform field/workflow/system observations, and conduct formal data analysis. |
| Phase 4: Validation and Reporting | December 2025 | Share preliminary observations with stakeholders. Issue the Draft Report by December 12, 2025. Obtain and integrate written feedback. Prepare the Final Report. |



Technical Approach

- **Control Identification, Assessment & Testing**
- **Process and System Walkthroughs and Analysis**
- **Stress-testing and advanced data analysis**



Status & Next Steps

Status

- ✓ Engagement planning completed
- ✓ WS/FCS Kickoff Completed (11/7/2025)
- ✓ Information Request Issued (11/7/2025)
- ✓ NCDPI Kickoff Completed (11/13/2025)
- ✓ Cataloguing and Reviewing Data Provided
- ✓ Interviews scheduled and commenced (11/14/2025)

Next Steps

- Continuing Interviews
- Data Collection, Review, and Analysis
- Weekly status reports to NCDPI and WS/FC Schools
- Site visit scheduled for the week of December 1st
- Draft report issued mid-December