



Seattle Public Schools The Office of Internal Audit

Internal Audit Follow-up Report Personal Services Contracts

Issue Date: September 10, 2013



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Background

On September 11, 2012, the Office of Internal Audit issued an audit report for Personal Services Contracts to address concerns raised by the State Auditor's Office (SAO). The SAO issued three reports between June 2010 and June 2011 that contained concerns associated with personal services contracts. Our procedures were limited to determining if the issues identified by the SAO have been adequately corrected, and we did not conduct a full scope audit of personal services contracts. Our initial report dated September 11, 2012 can be found on the District's website.

Roles and Responsibilities

In accordance with the 2012-2013 *Annual Risk Assessment and Audit Plan*, we have completed a follow-up review of Personal Services Contracts. District management is responsible for follow-up and corrective action to address audit findings. To fulfill this responsibility, the District has a process in place, as well as designated staff, to track the status of audit recommendations and ensure that audit issues are resolved. The purpose of a follow-up review is to assess the status of corrective action taken in response to prior internal audit findings. This report focuses on findings from the September 11, 2012 internal audit report, which contained five recommendations.

Conclusion

This District has implemented our recommendations and has made progress to establish a control framework around the initiation and approval of personal services contracts. However, since this was a limited scope engagement to follow up on specific concerns, and since there are many important elements to administering personal services contracts, we will continue to incorporate them into our future audits. Even though the District has adequately implemented our recommendations, each department or school that we audit will contain procedures related to personal services contracts.

Andrew Medina

Andrew Medina, CPA, CFE
Director, Office of Internal Audit