



Annual Internal Audit and Ethics Report

October 12, 2016

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For questions and more information about this document, please contact the following:

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This document is a powerpoint presentation of the Office of Internal Audit's annual audit and ethics report to the School Board.



Seattle Public Schools



Photos by Susie Fitzhugh

Annual Internal Audit and Ethics Report

October 12, 2016

Internal Audit Annual Report

School Board Procedure 6550BP - Internal Audit

- Requires an annual report to the School Board within 90 days of the school year calendar end.
 - Audits Completed
 - Major Findings
 - Corrective Actions
 - Significant Findings Not Addressed By Management

Audits Completed

October 2015 – September 2016

- Vehicle Fleet Operations
- Accuracy and Reliability of Capital Financial Reporting
- Olympic View Elementary School
- Franklin High School
- Testing Integrity Follow-up
- Lowell Elementary School
- Procurement
- Genesee Hill Elementary School Design
- Fairmount Park Elementary School Construction Follow-up
- Central Administration Cash Handling and Deposits

Major Audit Findings

- Vehicle Fleet Operations
 - Vehicle Maintenance

- Procurement
 - Unapproved Contracts and Other Agreements
 - Segregation of Duties
 - Open Purchase Orders
 - Contract Approval Process
 - Creating New Vendors in the SAP System

Major Audit Findings

- Central Administration Cash Handling and Deposits
 - Delayed Posting of School Deposits

- School Audits
 - Cash Handling and Receipting
 - Loss of Funds
 - ASB Activity Approval and Reconciliation Form
 - Unapproved Field Trips
 - Volunteer and Chaperone Screening

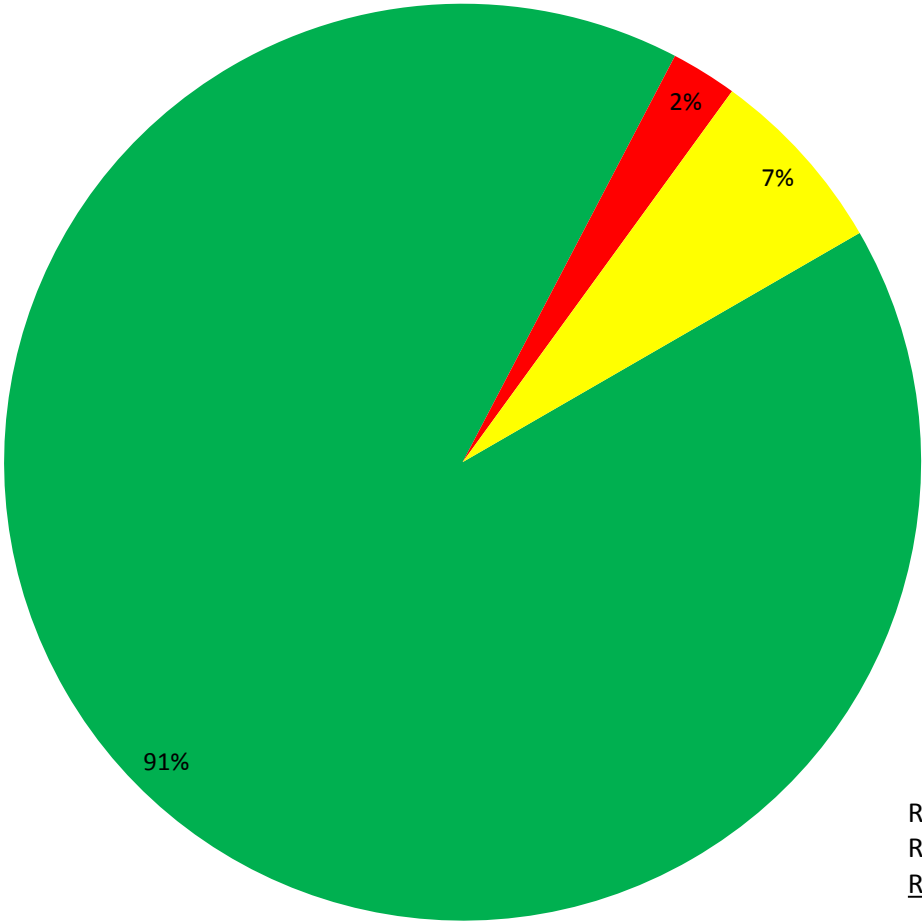
Major Audit Findings

- Genesee Hill Elementary School Design
 - Late Redesign of Project Increased Costs
 - Maximum Allowable Construction Cost Did Not Include Escalation
 - Stakeholder Roles Could Be More Clearly Defined
 - Personal Services Contracts are Poorly Managed

Corrective Action Plans

- District Management Function
- Audit Response Manager
- Approved Corrective Action Plans
- Quarterly Updates to the A&F Committee
- Follow-up Audits

Percentage of Recommendations Implemented, Overdue, and In-Progress



- Percentage Implemented
- Percentage Overdue
- Percentage In-Progress

Recommendations Implemented:	273
Recommendations Overdue:	7
Recommendations In-Progress:	20
<hr/> Total Recommendations:	<hr/> 300

Significant Findings Not Addressed by Management

- Point of Sale System
- Custodial Evaluation Document

Internal Audit Discussion

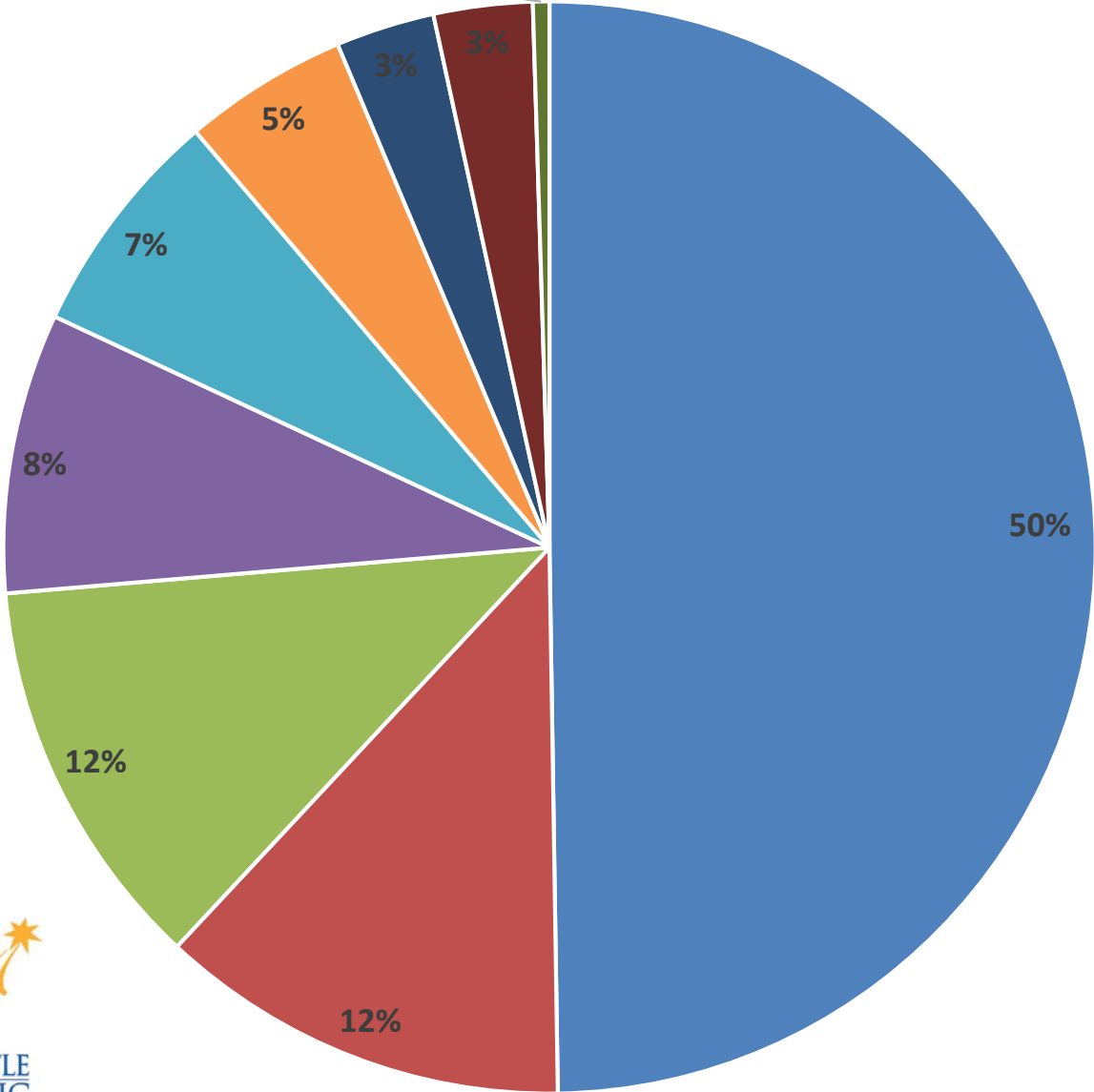
- The A&F Committee has approved next year's [audit plan](#) (The plan can change and new risks can be brought forward at anytime)
- Individual audit reports are available on the [Office of Internal Audit's webpage](#).
- Questions/Comments

Annual Ethics Report

School Board Policy 5251 - Ethics

- Requires an annual report to the School Board within 90 days of fiscal year end.
 - Number and Type of Contacts Received
 - Percentage of Contacts Submitted Anonymously
 - Status of Ethics Training Program

Types of Contacts Received

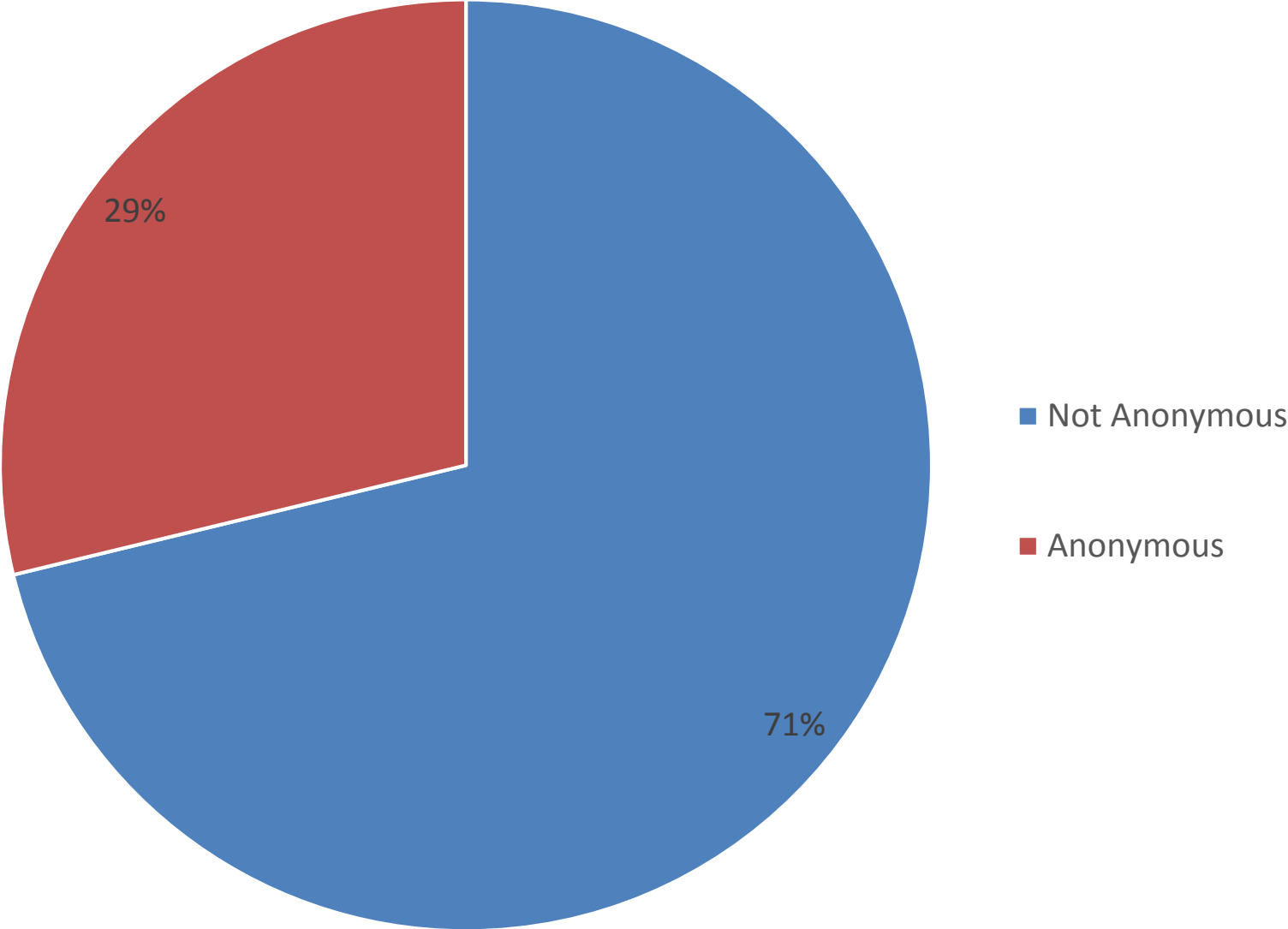


July 2014 – September 2016

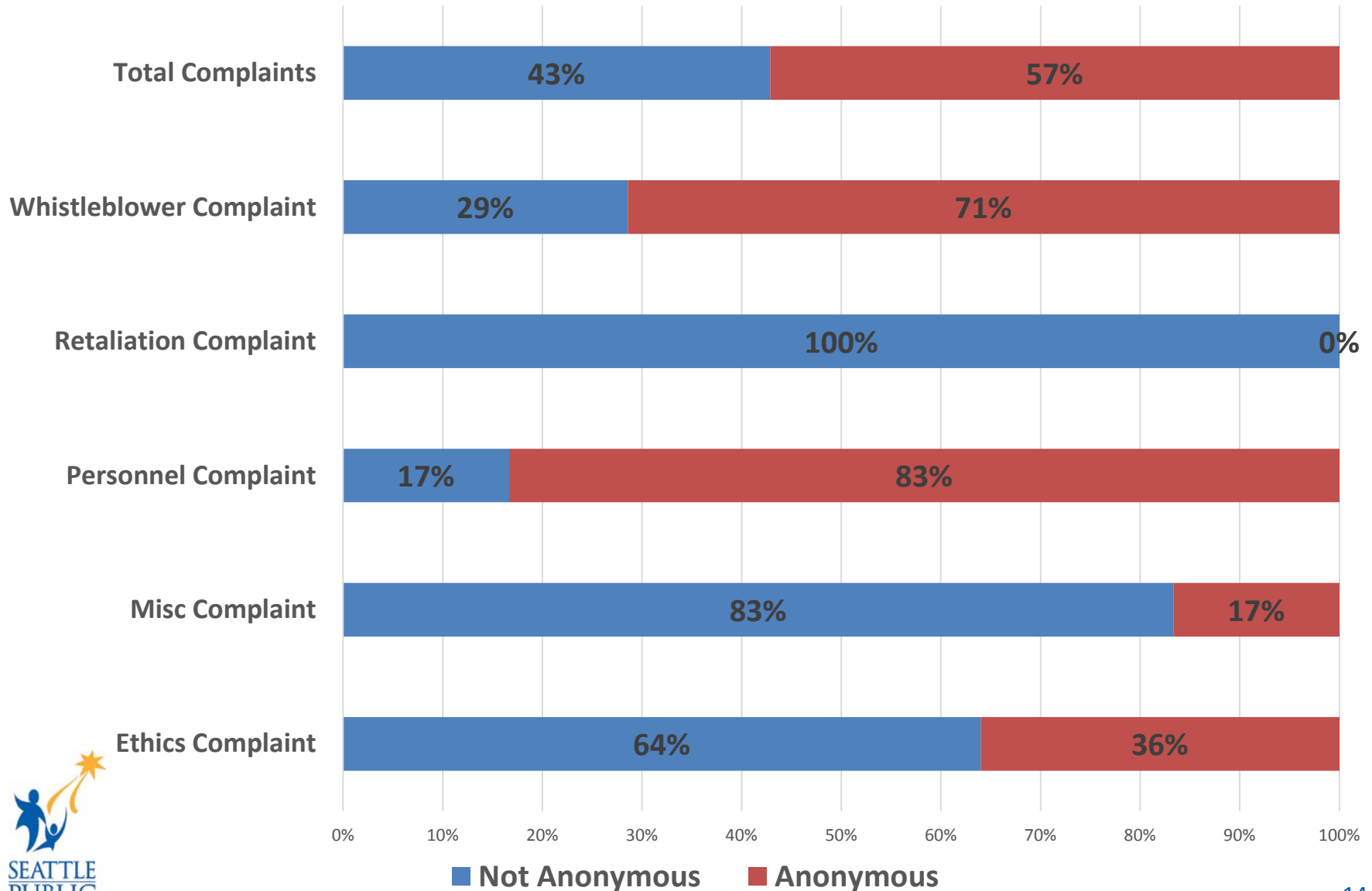
- Advisory Opinion (102)
- Ethics Complaint (25)
- Personnel Complaint (24)
- Exploring Available Options (17)
- Whistleblower Complaint (14)
- Other (10)
- Misc Complaint (6)
- Conflict of Interest Disclosure (6)
- Retaliation Complaint (1)

Total Contacts Received: 205

Anonymous Contacts



Anonymous Complaints



Ethics Training

- Work in Progress
 - New Employee Orientation
 - Safe Schools
 - Requests for Training
 - Media Operations Center

Ethics Officer Discussion

- Questions/Comments