



Seattle Public Schools



Photos by Susie Fitzhugh

Annual Internal Audit and Ethics Report

October 17, 2018

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

2017 – 2018

- Construction Management Practices
- Hiring Practices
- Central Administration Support of Schools
- School Audits:
 - Rainier Beach High School
 - Center School
 - Cleveland High School
 - Franklin High School
 - Hazel Wolf K-8 School

School Audit Objective Areas

- Cash Handling & Receipting
- Building Leadership Team (BLT)
- Continuous School Improvement Plan (CSIP)
- Substitute Rebates and Reimbursements
- Student Records
- Graduation Waivers
- Online Learning Credits
- Overnight Fieldtrips
- PTSA, Booster Club, and ASB Fundraising
- Crowdsourcing Fundraisers
- Nutrition Standards
- Leave Time Approval
- Building Security
- Master Schedule

Major Audit Findings

- School Audits and Central Admin Support of Schools
 - Use of SchoolPay Automated Point-of-Sale System
 - Cash Handling and Receipting
 - Student Records
 - Physical Education and Graduation Waivers
 - Building Security
 - Online Credits
 - Substitute Rebates and Reimbursements
 - Nutrition Standards

Major Audit Findings

- Construction Management Practices
 - Compliance with New Public Works Statutes
 - Subcontractor Responsibility Requirements
 - Verification of GCCM Limits on Self-Performed Work
 - GCCM Certification
 - Construction Manager Equitable Adjustment

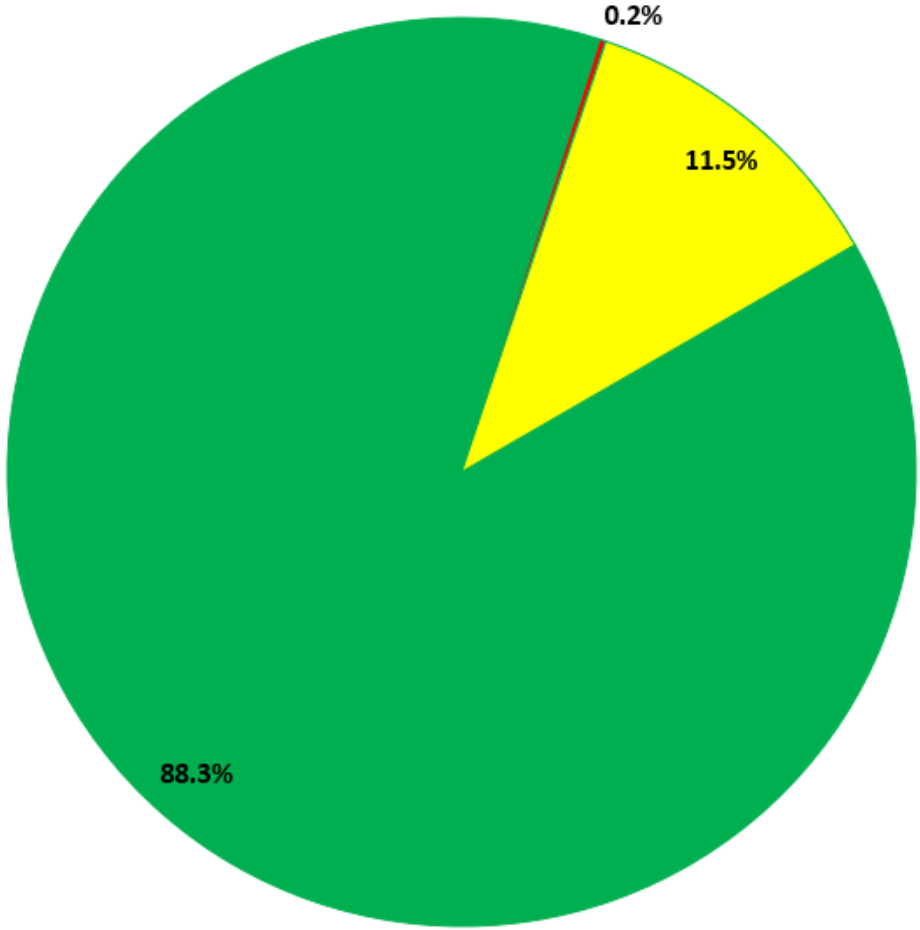
Major Audit Findings

- Hiring Practices
 - Certificated and Support Staff Hiring Process
 - Document Retention
 - Non-Compliance with the Gold Book Standards
 - Hourly Employee Staffing
 - PASS and Management Employees Hiring Process

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



June 2012 – September 2018

- Percentage Implemented *
- Percentage Overdue
- Percentage In-Progress

Implemented: *	406
Overdue:	1
<u>In-Progress:</u>	<u>53</u>
Total Recommendations:	460

*Percentage of recommendations implemented is based on management's assertions. Follow-up audits to confirm implementation are performed based on a risk assessment and have not been completed for all audits.

Significant Findings Not Addressed by Management

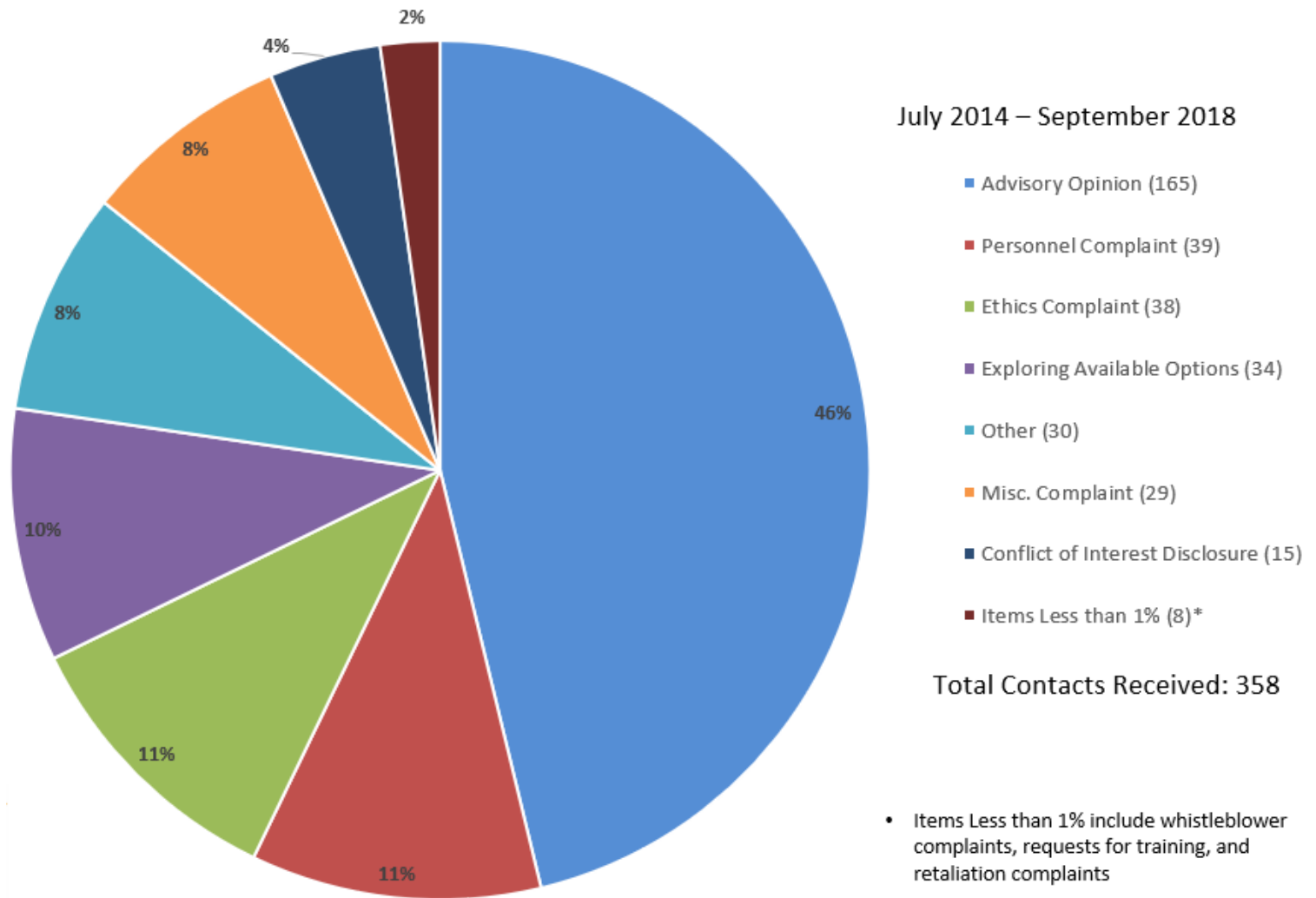
- Bargaining Items

Annual Ethics Report

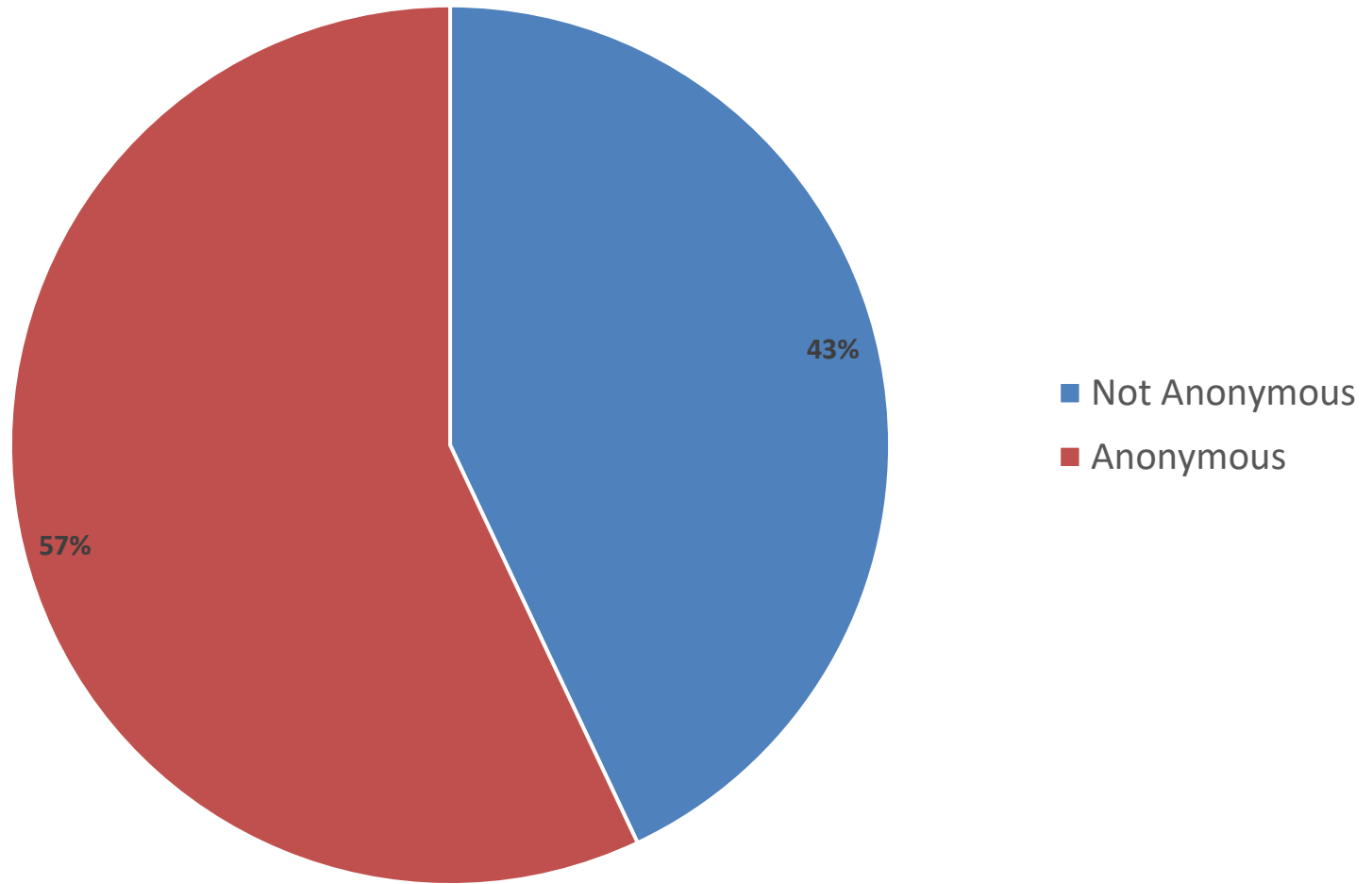
School Board Policy 5251 - Ethics

- 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

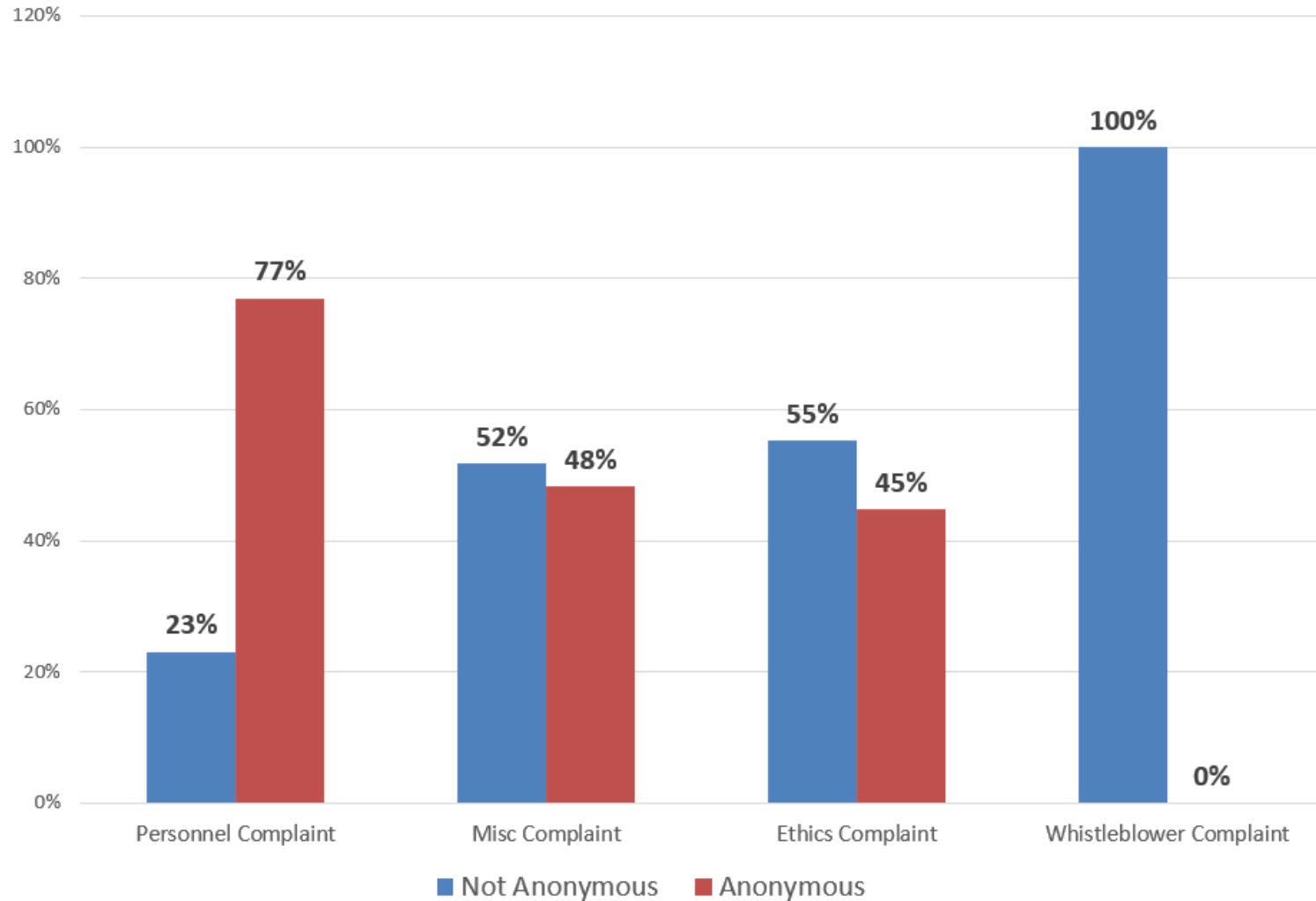
Types of Contacts Received



Anonymous Complaints



Anonymous Complaints



Ethics Training

- No Changes Since Last Year
 - New Employee Orientation
 - Safe Schools
 - Requests for Training
 - FAQ
 - Online Reporting
 - Media Operations Center

Discussion and Questions

- 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