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

*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.

June 2012 – September 2018

- Implemented: * 406
- Overdue: 1
- In-Progress: 53
- Total Recommendations: 460
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

- **Advisory Opinion**: 165
- **Personnel Complaint**: 39
- **Ethics Complaint**: 38
- **Exploring Available Options**: 34
- **Other**: 30
- **Misc. Complaint**: 29
- **Conflict of Interest Disclosure**: 15
- **Items Less than 1%**: 8

Total Contacts Received: 358

*Items Less than 1% include whistleblower complaints, requests for training, and retaliation complaints*
Anonymous Complaints

- 57% Anonymous
- 43% Not Anonymous
Anonymous Complaints

- Personnel Complaint: 77% Not Anonymous, 23% Anonymous
- Misc Complaint: 52% Not Anonymous, 48% Anonymous
- Ethics Complaint: 55% Not Anonymous, 45% Anonymous
- Whistleblower Complaint: 100% Not Anonymous, 0% Anonymous
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