



Seattle Public Schools The Office of Internal Audit

**Internal Audit Report
Hiring Practices**

June 1, 2016 through Current

Issue Date: December 5, 2017



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Executive Summary

Background Information

Hiring is one of the most important aspects of the District to ensure that quality staff are in place to ensure a quality education for its students. The District's hiring practices are guided by Board policies 5000 through 5050. Per the policy 5000, the School Board believes that staff recruitment and selection directly supports the needs of the District by maintaining an unrelenting focus on continued improvement of the quality of teaching and learning within our schools. The policy also states that the staff will be recruited in a timely manner and selected to support and strengthen the learning needs of our students. Decisions about hiring, assigning, or transferring staff are based on maximizing the selected skills of staff members within various District programs and schools. Applicable collective bargaining agreement language shall be followed when hiring, assigning, or transferring staff.

The Human Resources Department, being the designee of the Superintendent for human resources procedures, is authorized to develop hiring guidelines to ensure that federal, state, and local laws are followed when screening, interviewing, and hiring applicants. The Human Resources Department provides screening and oversight to ensure that the most qualified candidates are referred to hiring teams. The District expects hiring teams to reflect the diversity of our schools and community. The Superintendent or his or her designee has the final authority for candidate selection. The School Board approves all newly hired employees in the monthly personnel report. The policies are supported by written procedures to maintain consistency in the process at all satellite locations. The application process of the District is hosted by the Neo Gov website. Below is the data set for employees hired by the District in 2016-2017:

Employee Type	Number Hired in 2016-17 School Year
Casual Hourly	606
Certificated	478
Certificated Management	4
Certificated Substitutes	281
Classified Substitutes	155
Hourly-Certificated	224
Management Staff	37
Paraprofessional Staff	143
Principals Association of SSD	12
Seattle Association of Education Office Personnel	30
Satellite (Machinists/trades, all 609)	55

The Human Resources Department has a function of Employment Services that coordinates all the hiring efforts once the position has been approved by management. Currently there are four business partners who are paired with four senior analysts. The business partners and senior analysts are a team and are assigned schools and departments to assist with their specific hiring efforts.



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Newly created positions at the District begin with a Personnel Change Requests (PCRs). The PCR form has to be sent to the Budget Office to create a capacity for funding the position. All the PCR's then go to the Human Resources Department for position management and advertising for at least for one week. Currently hourly employees of the District are an exception to the automated PCR process.

The PCR serves as a primary preventative control in the hiring process for initiating a new position and obtaining required approvals. Manual overrides to the PCR process are possible during exceptional circumstances. The Human Resources and Business and Finance Departments are collaborating to make changes in this process. The District is also in the process of implementing a new budget system with the intention of improving controls related to the PCR process. Given the anticipated changes to the PCR process, it would be inefficient for Internal Audit to review it at this time. We will evaluate the need to audit the revised PCR process once management has implemented the improvements and installed the new budgeting system. The scope of this engagement is noted in the Audit Objectives and Scope section below.

All team members of the hiring team have to receive interview training through the central office or through the joint SEA/SSD interview training sessions depending on the nature of the hire. The hiring decisions at Seattle Public Schools are site based to support the collaborative decision making structure. The District's hiring process is different for each category of employee. Below are the main hiring categories:

- **Seattle Education Association (SEA) employees:**
These are certificated employees, paraprofessionals, and educational office personnel. The hiring process for these employees was created with an agreement between the Human Resources Department and the SEA. The process outlines the hiring steps and responsibilities of the Schools, SEA and Human Resources Department of the District.
- **Principals Association of Seattle School's employees:**
These are the principals, assistant principals, and some central office staff. The hiring guidelines for these employees are provided by the Human Resources Department.
- **Management Employees:**
These are the central office leaders and other all year round employees are who hired with a collaborative process between the Human Resources Department and the hiring Managers.
- **Satellite employees:**
These are the Facilities Department and Nutrition Services Department staff. These departments experience higher turnover rates compared to other departments, and have an increased need for a quick turnaround time when hiring new staff. Due to this urgency, the Facilities and Nutrition Services Department have parallel human resources processes for recruitment. The hiring process and staffing for these employees is conducted in the department.



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- **Hourly Employees:**

These are defined as SPS employees who are compensated in the form of hourly pay only. They receive no additional benefits or other forms of compensation. The District does not require a standardized interview procedure for hourly employees. The hiring manager or principal can initiate an hourly PCR with the name of the potential employee on it, and the Human Resources Department can process the request to staff the potential employee.

Roles and Responsibilities

This audit was completed as part of the *Annual Risk Assessment and Audit Plan* approved by the Audit and Finance Committee on September 13, 2016. District management has the primary responsibility to establish, implement, and monitor internal controls. Internal Audit's function is to assess and test those controls in order to provide reasonable assurance that the controls are adequate and operating effectively. We conducted the audit using due professional care, and we believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

Audit Objectives and Scope

The objectives of this audit were to determine if:

- The District has implemented adequate internal controls over its hiring practices to ensure compliance with the District's policies and procedures.
- There are adequate controls and monitoring over the staffing process of the District.

Audit Approach and Methodology

To achieve the audit objectives, we performed the following procedures:

- Planned the audit in cooperation with staff from the Human Resources, Budget, Payroll, and Technology Departments to ensure that we had a strong understanding of the District's hiring practices.
- Interviewed staff knowledgeable of the hiring process. The focus of the audit was on full time and casual hourly employees. The scope excluded temporary contracted workers which are related to vendor contracts and personal services contracts processes.
- Analyzed available data to corroborate the information obtained during our walkthroughs.
- Reviewed all applicable Revised Code of Washington, Washington Administrative Code, OSPI reference material for State compliance requirements, and the Code of Laws of the United States and administrative guidelines for federal compliance requirements.



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- Reviewed applicable District policies and procedures for any additional compliance requirements.
- Performed tests and analysis of the objective areas to support our conclusions.

Conclusion

Based on the results of the audit procedures performed, the District appears to have adequate internal controls, policies, and procedures over its hiring practices, except for the items noted in this report. This report identifies recommendations that are intended to improve the overall accountability and transparency of the hiring practices of the District.

We extend our appreciation to the staff within Human Resources, Technology Services, Payroll, and Budget Departments for their assistance and cooperation during the course of the audit.

Andrew Medina

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



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Findings and Recommendations

1) Certificated and Support Staff Hiring Process

The hiring process for SEA represented positions at Seattle Public Schools is identified in the Collective Bargaining Agreement. Every employee that is part of the hiring process has to go through joint training conducted by SEA and the Human Resources Department. The responsibilities of the District, SEA, and the schools are laid out in the Hiring Process for SEA Represented Positions Document. The majority of the decisions to hire SEA employees are made by the school administration.

The Human Resources Department of the District currently has the responsibility to coordinate the initial hiring process, including advertising of the position and sometimes identifying the candidates for interviews based on minimum qualifications.

We noted that:

- The supporting documentation provided by Human Resources did not contain all required items necessary to extend an offer to the candidate. The process requires schools to provide recommended applicants to Human Resources with a copy of the paper screening grid, recommendation form, and completed reference documents, prior to the Human Resources Department making an offer.
- The composition of the interview committee was not always in accordance to the SEA negotiated staff ratio.

The exceptions noted above create inconsistencies in the hiring process that can potentially have a negative effect on the District's reputation, and indicate noncompliance with the joint SEA hiring process of the District.

Recommendations

We recommend that the District strengthen its internal controls over the hiring of certificated positions and support staff by establishing:

- A strict accountability process regarding the documentation needed to extend the offer to a candidate.
- A consistent process in conjunction with the guidelines stated in the hiring processes for SEA, Paraprofessional, and SEAOP represented positions.



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2) Document Retention

The Local Government Common records Retention (GS50-04B-22 Rev.1) by Washington State Archives provides the guidance on the document retention for the records relating to the process of recruiting, interviewing, selecting and hiring of employees. The law requires that the hiring file will include employment requisition, personnel action request, job announcements, postings, applications, resumes, test results of unsuccessful applicants (including the applicants screened but not interviewed) for a period of three years.

The records will also be retained for the period of three years for candidates who went through the interview process. The documents will include interview questions, tests if applicable, screening, scoring, ranking, and selection criteria. Any related correspondence or communication regarding the hiring process will be part of the file.

- During our review of files for employees hired between June 1, 2016 and July 21, 2017, we noted that 11% (3 out of 27) requested files were missing.

Not retaining hiring files and supporting documentation for the period of three years exposes the District to:

- Potential legal liability if the hiring of any employee is questioned in the future.
- Non-compliance with the State's document retention laws.

Recommendations

We recommend the District:

- Educate staff on hiring document retention laws and requirements.
- Explore the idea of creating paperless hiring files so that compliance can be maintained and monitored centrally by the Human Resources Department.



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3) Non-Compliance With The Gold Book Standards

The District's Gold Book on budget development limits the maximum number of hours an hourly school employee may work to 19 hours per week. The hourly classified staff maximums are mentioned in the budget Gold Book for categories such as school assistants, hourly playground employees, lunch supervisors, and hourly tutors.

Our data analytics revealed that hourly employees are working in excess of 19 hours per week, which is in noncompliance with the Gold Book. We also noted that the District's time and attendance system will allow an hourly employee to charge up to 40 hours per week, and does not automatically limit hourly employee hours to 19 per week.

Non-compliance with the Gold book standards can potentially create overspending in the schools budget.

Recommendations

We recommend that the District comply with the Gold Book standards, or update the Gold Book to reflect actual standards if the 19 hour work week limitation for hourly employees is no longer applicable.



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4) Hourly Employee Staffing

The Classified Hourly Hire Summary Form states that the hiring administrators are responsible for ensuring that all forms are submitted and processed by the Human Resources Department before an hourly employee can begin an assignment.

A review of hourly employee data revealed instances of employee assignment dates preceding their processing date in the system. This can be attributed to employees starting their assignments earlier than they are staffed in the system, or that the staffing team is taking a longer time to process paperwork.

Employees starting work before their paperwork has been processed can create potential liabilities for the District.

Recommendations

We recommend that:

- The District educate hiring administrators on the staffing process to ensure that they understand that employees may not start working before they are staffed in the system.
- Establish an escalation procedure when hiring managers allow employees start working before they are staffed, so that such instances are not repeated.



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5) PASS and Management Employees Hiring Process:

PASS candidates are screened ahead of time for required qualifications and added to the candidate pool for PASS eligible positions. When a PASS position opens the eligible candidates are allowed to apply. The hiring guidelines are provided by the Human Resources Department, as there are no written requirements in the negotiated PASS contract.

Management employees are hired through the hiring process for non-represented central office positions process. This process lays out the necessary requirements that enables central office interview teams to interview and make recommendations for staffing central office non-represented vacancies.

We noted the following weaknesses related to the PASS and management employees hiring process:

- Screening documents were not on file for the management category candidates. We could not determine if the applicant screening techniques were consistent with the required qualifications.
- We noted instances where confidentiality statements, necessary signatures, and scoring sheets were not present on files.
- The hiring guidelines for PASS employees do not include any requirements related to the composition of the hiring team.

These items result in:

- Non-compliance with the District's hiring procedures.
- Inconsistencies that can pose a reputational risk for the District.
- A risk that not all the categories of employees, students, and parents will have a fair representation in the hiring of building leaders.

Recommendations

We recommend that the District strengthen its internal controls over the hiring of PASS and management staff by:

- Establishing a strict accountability process of the documentation needed to extend an offer to a PASS or management candidate.
- Provide guidance on the composition of the PASS hiring team so that all impacted parties are fairly represented in hiring of the building leaders.



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Management Response

Management has read the report and concurs with the findings and recommendations. We will be creating a corrective action plan that address the spirit and intent of the findings.