

# THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

817 Bill Beck Boulevard • Kissimmee • Florida 34744-4492  
Phone: 407-870-4600 • Fax: 407-870-4010 • [www.osceolaschools.net](http://www.osceolaschools.net)

## SCHOOL BOARD MEMBERS

- District 1 – Teresa “Terry” Castillo – Vice Chair  
407-577-5022
- District 2 – Julius Melendez  
321-442-2862
- District 3 – Jon Arguello  
407-433-9082
- District 4 – Clarence Thacker - Chair  
407-870-4009
- District 5 – Robert Bass  
407-870-4009



Superintendent of Schools  
Dr. Debra P. Pace

## AGENDA

### **Audit Advisory Committee Meeting Monday, June 20, 2022 2:00 -4:00 P.M.**

1. Call to order
2. Approval of the January 20, 2022, Meeting Minutes
3. School Internal Accounts Audit
4. Internal Audit Update
  - a. IT Internal and External Penetration Testing
  - b. Human Resources Onboarding, Employment Changes & Offboarding Audit
5. External Audits
  - a. Bellalago Educational Facilities Benefit District
  - b. Flora Ridge Educational Facilities Benefit District
6. Next Meeting Date: TBD

# Audit Advisory Committee Meeting Minutes

January 20, 2022

**Members Present:** Javier Paz, Terry Castillo, Kevin Crawford, Lori Giambrone

**Members Absent:** James Mantia and Mark Cross

**Others/Guests:** Debra Pace, Sarah Graber, Yuling Liu, Diana Cruz, Frank Kruppenbacher, Laura Manlove (RSM), and Joel Knopp (MSL)

- **Call to Order**

Ms. Castillo called the meeting to order at 2:00 p.m.

- **Introductions**

Ms. Castillo opened the meeting by asking all members and guests to introduce themselves. New members were welcomed to the committee.

- **Approval of the Minutes for the October 26<sup>th</sup>, 2021, Meeting**

The minutes were approved with all ayes.

- **External Audits**

Mr. Knopp presented the results of the Annual Comprehensive Financial Report (ACFR) audit for the fiscal year ended June 30, 2021. He discussed the district overview, scope of the audit, required communications, reports issued, and key financial data.

Mrs. Liu, Director of Finance, shared that the following audits have been completed and can be found on the district website (links provided):

- a) Internal Funds Audit
- b) FTE Audit
- c) Four Corners Charter School, Inc.
- d) The Foundation for Osceola Foundation
- e) P.M. Wells Charter School

- **Internal Audit Update**

Mrs. Manlove gave a brief update on the status of the HR Internal Audit. Statements of work have been prepared for the next engagements on this year's internal audit plan – IT Data Assessment and Penetration Testing and Purchasing Operations – Competitive Solicitations.

- **Investigations Update**

Mr. Kruppenbacher provided an update on the investigation related to the Maintenance Department. We are in the process of identifying someone else who has no connections with the School Board of Osceola County to serve as a subject matter expert.

- **Whistleblower Hotline**

Mr. Kruppenbacher discussed a new fraud, waste, and abuse reporting hotline. All reports will go directly to general counsel, not school district staff. Posters will be put up in every work location, and it will include contact information on how to report.

- **RFP Selection Committee Training**

It was reported that Ms. Cheryl Hood provided the committee members training on serving as the RFP selection committee for auditing services. The submittal for this RFP were distributed to the members. The members will convene as the RFP selection committee on February 3<sup>rd</sup> for the short-list meeting.

- **Set date of next meeting**

February 3, 2022 – RFP Short-List Meeting  
Next Audit Advisory Committee Meeting – TBD

**The meeting was adjourned at 3:28 p.m.**



**Carr, Riggs & Ingram, LLC**  
1031 West Morse Boulevard  
Suite 200  
Winter Park, FL 32789

(407) 644-7455  
(407) 628-5277 (fax)  
www.cricpa.com

June 13, 2022

The School District of Osceola County, Florida  
School Board and Audit Committee

Dear School Board Audit Committee members:

We are engaged to audit the financial statements of the Internal Funds of the School District of Osceola County, Florida for the year ended June 30, 2022. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated April 29, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the statement of fiduciary net position – fiduciary funds and the statement of changes in fiduciary net position – fiduciary funds of the School District of Osceola County, Florida Internal Funds (financial statements) prepared by us with oversight from management and you are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the School District of Osceola County, Florida Internal Funds. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the School District of Osceola County, Florida Internal Funds' compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

We have been engaged to report on the schedule of changes in fiduciary net position – fiduciary funds by school, which accompanies the financial statements but is not required supplementary information. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the school district. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

Our professional standards require that during the planning phase of our audit we consider any significant risks that may exist that could result in a material misstatement of the financial statements. We have identified the following significant risks of material misstatement as part of our auditing planning:

- Management override of controls
- Cash collections done outside the front office may not be properly safeguarded
- Improper revenue recognition due to fraud

To address these identified risks, we will perform certain audit procedures, including performing journal entry testing, selecting a sample of cash receipts to examine the supporting documentation, and other tests.

We will also assist in preparing the financial statements, related notes, and supplementary information of the School District of Osceola County, Florida Internal Funds in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. Management will oversee these services and will be responsible for reviewing and approving the financial statements, related notes, and supplementary information prior to their issuance.

As a component auditor for the School District of Osceola County, Florida, we will communicate certain matters regarding our audit with the auditors of the Comprehensive Annual Financial Report.

We began the planning of our audit on June 1, 2022 and plan to issue our report on approximately October 1, 2022. Jennifer Christensen is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the School Board and Audit Committee of the School District of Osceola County, Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 407-644-7455 or [jchristensen@cricpa.com](mailto:jchristensen@cricpa.com).

Very truly yours,

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC



# School District of Osceola County, Florida

## Audit Committee Presentation -

### Internal Funds Audit

June 20, 2022

Presented by  
Jennifer Christensen, Partner



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

# Internal Funds Audit Timeframe

- Audit Planning Meeting – May 11, 2022
- Audit Planning – June/early July
- Audit Fieldwork – late July/August
- Draft Financial Statements and Reports to District – September 1, 2022
- Issue Financial Statements – October 1, 2022



# Auditors' Responsibilities

Auditors' Responsibilities	Express an opinion about whether the financial statements of the School District of Osceola County, Florida Internal Funds are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles.
Supplementary Information	Schedule of changes in fiduciary net position – fiduciary funds by school; we will report on whether the information is fairly stated, in all material respects, in related to the financial statements as a whole.
Audit Testing	<ul style="list-style-type: none"><li>• Substantive procedures on financial statement accounts</li><li>• Understanding of internal controls</li><li>• Tests of compliance with rules, laws and regulations (FDOE, School Board, Internal Funds policies and procedures)</li></ul>

# School District's Responsibilities

Management and those Charged with Governance (School Board)

- Overseeing the preparation of the financial statements, including reviewing and approving the financial statements, related notes, and supplementary information

Business and Fiscal Services

- Coordinate audit dates
- Provide requested information, reports, and supporting documentation for audit fieldwork
- Act as liaison between CRI and schools

# Other Information

## Possible Risks Identified During Planning Phase

- Management override of controls \*
- Cash collections outside of front office not properly safeguarded
- Improper revenue recognition due to fraud \*

\* Professional standards presume this risk exists for all audits.

Audit procedures will be customized to address identified possible risks.

## Component Auditor Role

We are required to communicate certain matters with the group auditor (related party transactions, audit adjustments made, identified fraud, etc.)

## Fraud Inquiries

Is the Audit Committee aware of any fraud that may have occurred in Internal Funds?

Any concerns about lack of controls or other risks to the Internal Funds?

## TODAY'S PRESENTER

Jennifer Christensen, Partner  
Orlando, Florida  
407-644-7455  
Jchristensen@CRIncpa.com

Text **CRI** to **66866** to receive CRI News and Alerts.

CARR, RIGGS & INGRAM, LLC



*School District of*  
**OSCEOLA COUNTY**  
FLORIDA

---

# The School District of Osceola County, Florida

## Internal and External Penetration Testing

June 13, 2022





## TRANSMITTAL LETTER

June 13, 2022

The Audit Advisory Committee of the  
School District of Osceola County, Florida  
817 Bill Beck Blvd.  
Kissimmee, FL 34744



RSM US LLP  
7351 Office Park Place  
Melbourne, Florida 32940  
O 321 751 6200  
www.rsmus.com

As approved by the School Board during the February 15, 2022 board meeting, and pursuant to the School District of Osceola County, Florida ("District") approved audit plan for fiscal year ("FY") 2021-22, we hereby present our Internal and External Penetration Assessment. The subject matter covered under this audit is confidential in nature, and thus exempt from Florida Statutes 119.07(1) and 286.001; specific details are not disclosed to avoid the possibility of compromising District information and security.

This exemption from Florida Statutes and other laws and rules requiring public access or disclosure is addressed under Florida Statute 281.301, *Security systems; records and meetings exempt from public access or disclosure*. We will be presenting this public report to the Audit Committee at the next scheduled meeting on June 20, 2022, and all confidential matters have been communicated with appropriate personnel at the District.

In conjunction with this internal audit, we have provided management with recommendations related to the Internal and External Penetration Assessment. The information in the confidential report is intended to assist the District in enhancing its security of technology assets. In connection with the performance of these services, we have not performed any management functions, made management decisions, or otherwise performed in a capacity equivalent to that of an employee of the District. In order to remain effective, the provisions recommended in the report will need to be continuously maintained and regularly validated through an ongoing network security program.

We would like to thank the staff and all those involved in assisting RSM US LLP with our procedures.

Respectfully Submitted,

*RSM US LLP*

**RSM US LLP**



RSM US LLP  
7351 Office Park Place  
Melbourne, FL 32940  
321.751.6200  
[www.rsmus.com](http://www.rsmus.com)

RSM US LLP is a limited liability partnership and the U.S. member firm of RSM International, a global network of independent audit, tax and consulting firms. The member firms of RSM International collaborate to provide services to global clients, but are separate and distinct legal entities that cannot obligate each other. Each member firm is responsible only for its own acts and omissions, and not those of any other party.

For more information, visit [rsmus.com/aboutus](http://rsmus.com/aboutus) for more information regarding RSM US LLP and RSM International.

© 2022 RSM US LLP. All Rights Reserved.





*School District of*  
**OSCEOLA COUNTY**  
FLORIDA

---

# The School District of Osceola County, Florida

Human Resources – Onboarding, Employment Changes,  
and Offboarding Internal Audit Report

April 11, 2022





---

## TABLE OF CONTENTS

Transmittal Letter .....	1
Executive Summary.....	2
Background .....	4
Objectives and Approach .....	8
Observations Matrix.....	10
Process Improvement Opportunities.....	22

# TRANSMITTAL LETTER



April 11, 2022

The Audit Advisory Committee of the  
School District of Osceola County, Florida  
817 Bill Beck Blvd.  
Kissimmee, FL 34744

1001 Water Street  
Suite 500  
Tampa, FL 33602  
O: 321.751.6200 F: 321.751.1385  
www.rsmus.com

As approved by the School Board during the October 5, 2021, board meeting, and pursuant to the School District of Osceola County, Florida (“District”) approved audit plan for fiscal year (“FY”) 2021-22, we hereby present our report on the Internal Audit of the HR onboarding, employment changes, and offboarding processes. We will be presenting this report at the next scheduled Audit Advisory Committee meeting on June 20, 2022. Our report is organized in the following sections:

<b>Executive Summary</b>	This provides a high-level overview and summary of the observations noted in this internal audit.
<b>Background</b>	This provides an overview of the Human Resources department, as well as relevant background information.
<b>Objectives and Approach</b>	The objectives of this internal audit are expanded upon in this section as well as a review of the various phases of our approach and the results of our audit procedures.
<b>Observation Matrix</b>	This section includes a description of the observations noted during our internal audit and recommended actions.

We would like to thank the staff and all those involved in assisting our firm with this internal audit.

Respectfully Submitted,

*RSM US LLP*

*RSM US LLP*



## EXECUTIVE SUMMARY

### Background

This internal audit was approved by the School Board during the October 5, 2021 board meeting in order to evaluate the design and control structure, including adherence to policies and procedures, of the Human Resources function.

The School District of Osceola County (“District”) employs over 7,300 full and part-time employees across 60 schools and 39 departments. The recruitment, onboarding, and offboarding of these employees is one of the most critical functions of a high performing District, and is facilitated through the Human Resources Department (“Department”, “HR”).

The Department itself has several core components managed directly by its 30 FTEs. These HR professionals work with the schools and departments throughout the District to facilitate the recruitment, advertising, selecting, onboarding, employee management, and offboarding procedures.

Like all organizations, the District’s HR Department was challenged with attracting and retaining talent during the onset of COVID-19 and the subsequent “Great Resignation”, which marks the roughly 33 million Americans who have resigned from their jobs since Spring 2021. Despite these nation-wide struggles, the District hired 4,853 new employees within our audit period (2019 – 21).

### Overall Summary / Highlights

During our testing and review, we noted observations related to hiring procedures, employee contract agreements and onboarding documentation, employee action forms, offboarding processes, and job descriptions. The objective of an internal audit function is to perform testing of controls and provide reporting of exceptions noted. The observations detailed in the pages that follow represent only the instances where exceptions were noted, and do not detail the instances where testing resulted in no reportable observations.

Fieldwork was performed from December 2021 through February 2022. Draft results were shared and exit meetings were held in March and April 2022.

### Objectives and Approach

The objective of this internal audit was to evaluate the design and control structure, including adherence to policies and procedures, for the onboarding, employment changes, and out-boarding processes.

This review included an evaluation of the following areas: position advertising, any required pre-employment forms, performance of necessary background check activities, candidate vetting and selection processes, job qualifications, management of job description changes, salary adjustments, board approvals, exit processes, record keeping, nepotism, and certain specific concerns provided to us regarding hiring or promoting decisions.

The procedures performed included:

- Conducting interviews and walkthroughs with key personnel to obtain a detailed understanding of the District’s operating procedures as they relate to the processes within our scope;
- Evaluating the design of key processes and controls identified through industry benchmarking, best practices, and comparable client experience;
- Reviewing and testing of source documents for compliance with applicable District policies and other governing authorities;
- Evaluating the design of District policies regarding conflict-of-interest identification, management, and the employee selection process.

The results of our procedures are summarized in the pages that follow, and have been shared with Management, General Counsel, and the Superintendent.

### Summary of Observation Ratings

High	Moderate	Low	Process Improvement Opportunity
-	4	1	1

*We would like to thank all District team members who assisted us throughout this review.*



## EXECUTIVE SUMMARY – CONTINUED

### Observations Summary

The summary provided below lists each observation and process improvement opportunity noted within our internal audit. The second table contains definitions of the risk ratings noted, and the detailed observations are included in the Observations Matrix section of this report.

#### Summary of Observations

Observations	Risk Rating
1. Hiring Decisions	Moderate
2. Employee Documentation and Contracts	Moderate
3. Employee Action Forms	Moderate
4. Offboarding Processes	Moderate
5. Job Descriptions	Low
Process Improvement Opportunities	
1. Enhancements to Ethics Investigation Documentation	

#### Observation Risk Rating Definitions

Rating	Explanation
Low	Observation presents a low risk (i.e., impact on financial statements, internal control environment, brand, or business operations) to the organization for the topic reviewed and/or is of low importance to business success/achievement of goals.
Moderate	Observation presents a moderate risk (i.e., impact on financial statements, internal control environment, brand, or business operations) to the organization for the topic reviewed and/or is of moderate importance to business success/achievement of goals. Action should be in the near term.
High	Observation presents a high risk (i.e., impact on financial statements, internal control environment, brand, or business operations) to the organization for the topic reviewed and/or is of high importance to business success/achievement of goals. Action should be taken immediately.



## BACKGROUND

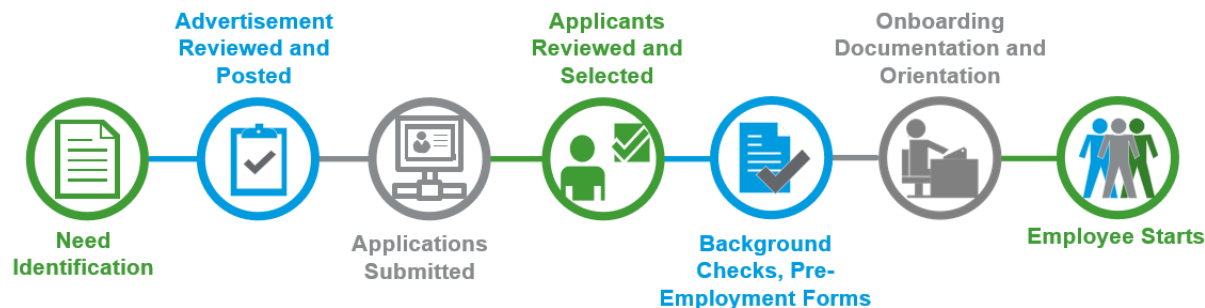
### Overview

The Human Resources Department (“Department”, “HR”) facilitates the recruiting, onboarding, and offboarding processes at the School District of Osceola County (“The District”), and is managed by a team of thirty (30) individuals. Throughout the sixty (60) schools and thirty-nine (39) departments at the District, there are over 7,400 full and part-time employees.<sup>1</sup> Within our audit period (FY 2019 – FY 2021), the District processed 5,092 employee separations and 4,853 new hires. While the HR Department is largely responsible for the employee selection, onboarding, and offboarding, specific procedures and actions are decentralized across multiple parties. For example, the hiring school or department identifies and communicates open requisitions, conducts initial candidate interviews, evaluates potential new hires, assists in with the completion of onboarding documentation, and eventually assists in the offboarding process. Additionally, various employment-related procedures, like employee benefits and FMLA procedures, are wholly administered by other departments (the Risk and Benefits Management Department and the Business and Fiscal Services Department, respectively).



### Selecting and Onboarding

The selecting and onboarding processes bring candidates into official District employment. After candidates have applied to open job requisitions, the hiring school or department performs an initial review of all applicants. Once the applicant pool has been sorted to identify qualified candidate(s), a “Request for Review” may be sent to the HR Department. At this time, HR Recruitment Specialists and Senior Records Clerks review, among other things, candidate experience, job descriptions, resumes, applicable certifications, and required education levels. If a candidate has been deemed as a qualified hire, the candidate status is changed to “Ok to offer” in the BrassRing application system. At that point the Brass Ring automation manager notifies the hiring school / department that an offer can be made. If the chosen applicant accepts the offer, the onboarding process begins. The employee formally acknowledges relevant School Board Rules (i.e., 6.33 - Alcohol and Drug Free Workplace and 2.80 - Reporting Child Abuse, etc.), applicable forms are completed (I-9, Florida Retirement System, W-4, etc.), and HR distributes instructions for background fingerprinting and drug testing to the applicant. Only until the required documentation and screening is completed, is the employee cleared to begin work at The School District of Osceola County. The Department recently implemented Laserfiche, an electronic document depository, to modernize and streamline the employee documentation process.



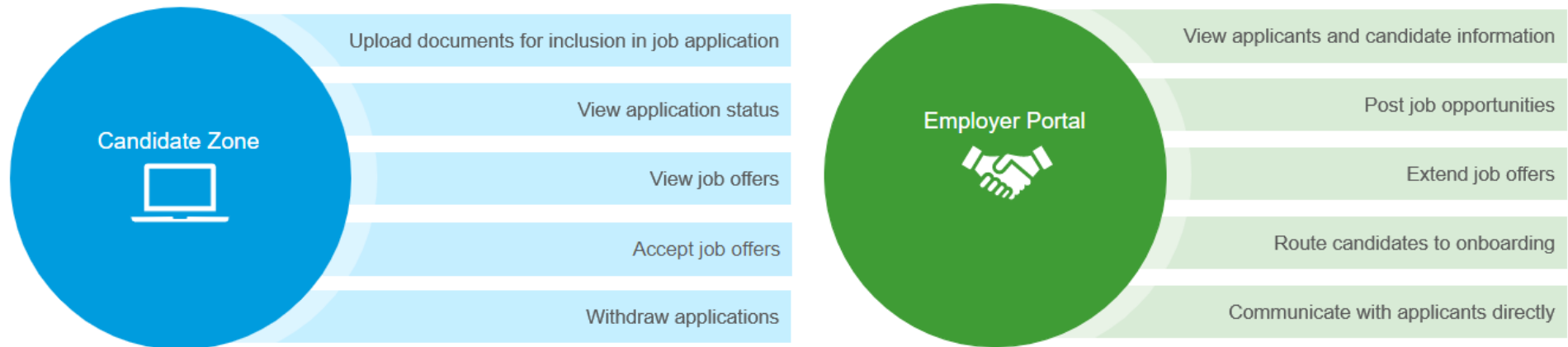
<sup>1</sup> Data obtained from the SDOC public website and from management



## BACKGROUND - CONTINUED

### Selecting and Onboarding - continued

This application, selection, and onboarding process is facilitated through BrassRing, a candidate lifecycle management and employee onboarding system implemented by the District in October 2018. BrassRing is comprised of two (2) main portals:



### Employment Changes

The term “employment changes” refers to any status changes that may occur throughout an employee’s working lifecycle. This may include site transfers, promotions, job description changes, etc. The HR Department manages many of these changes through the Employee Action Forms, which document changes in employment details. Depending on the specific action required, certain signatures would need to be secured on the action form. Employees, their supervisors, facility administrators, administrators overseeing special funding, HR staff and HR administrators are signatures that may be required on the action form. Depending on the action, the form may also be forwarded to the Payroll Department and the Risk and Benefits Management Department. The HR Department also facilitates ongoing compliance with Board Policy and other governing principles by tracking participation in the required annual ethics training, reviewing egregious disciplinary issues, and serving as a resource and authority for ethics violation reporting.

The District issues an annual survey to all existing employees through TNTP, a data collection and interpretation service specific to the public school system. The results of this Insight Survey are shared with administrative leaders and the Superintendent’s leadership team. TNTP benchmarks SDOC employee survey results against comparable entities, and includes analytics regarding employee engagement, culture, diversity, professional development, and leadership.

### Offboarding

The offboarding process marks the end of the employment lifecycle, and may be embodied through a resignation (voluntary termination), layoff or firing (involuntary termination), retirement, or contract expiration. Regardless of how an employee separates from the District, exit procedures must be taken to:

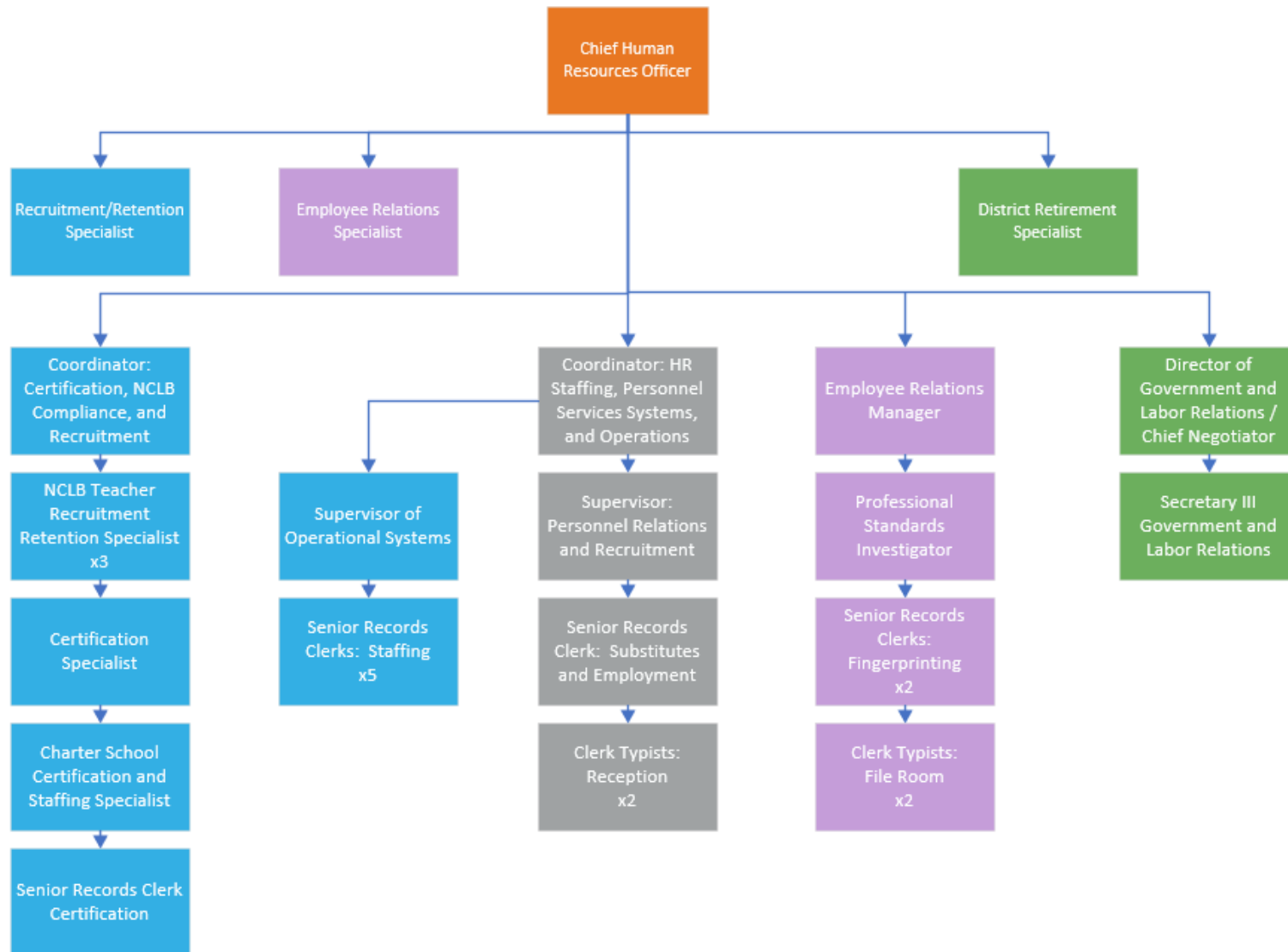
1. Protect safety of personnel, students, and property by recouping physical assets (i.e., laptops, building access cards, etc.)
2. Secure District data by revoking system access and terminating passwords, and
3. Gather data regarding District culture and potential retention improvements by performing exit interviews and surveys



## BACKGROUND - CONTINUED

### Organization

The HR Department is comprised of a team of 30 (thirty) individuals and is led by the Chief Human Resources Officer (“CHRO”). The CHRO reports to the Deputy Superintendent of Human Services, who ultimately reports to the Superintendent.





## BACKGROUND - CONTINUED

### Laws and Regulations

Applicable laws and regulations and other governing requirements include, but are not limited to, the below:

Federal Laws and Regulations
<ul style="list-style-type: none"> <li>• Fair Labor Standards Act (“FLSA”)</li> <li>• Family and Medical Leave Act (“FMLA”)</li> <li>• Immigration Reform and Control Act (“Employment Eligibility”)</li> <li>• Title VII of the Civil Rights Act</li> </ul>
Florida Statutes
<ul style="list-style-type: none"> <li>• F.S 1012 <i>Personnel</i></li> <li>• F.S 1002 <i>Student and Parental Rights and Educational Choices</i></li> <li>• F.S 435 <i>Employment Screening</i></li> <li>• F.S 943 <i>Department of Law Enforcement</i></li> <li>• F.S 1001 <i>K-20 Governance</i></li> <li>• F.S 295 <i>Laws Relating to Veterans: General Provisions</i></li> <li>• F.A.C 6A-1.0502 <i>Non-certificated Instructional Personnel</i></li> <li>• F.A.C 6A-1.0503 <i>Definition of Qualified Instructional Personnel</i></li> <li>• F.A.C 1B-24.003 <i>Records Retention Scheduling and Disposition</i></li> <li>• 20 U.S.C. 6301 <i>Statement of Purpose</i></li> </ul>
Osceola County Florida Bylaws & Policies
<ul style="list-style-type: none"> <li>• 6.10 <i>Employment of Personnel</i></li> <li>• 6.12 <i>Nepotism</i></li> <li>• 6.142 <i>Non-certificated Instructional Personnel</i></li> <li>• 6.17 <i>Appointment or Employment Requirements</i></li> <li>• 6.172 <i>Employment of School Bus Operators</i></li> <li>• 6.18 <i>Contracts: Instructional and Administrative Personnel</i></li> <li>• 6.20 <i>Certification of Administrative and Instructional Personnel</i></li> <li>• 6.27 <i>Professional Ethics</i></li> <li>• 6.29 <i>Report of Misconduct</i></li> <li>• 6.361 <i>Confidentiality of Internal Investigations</i></li> <li>• 6.40 <i>Assessment of Employees</i></li> <li>• 6.52 <i>Resignations</i></li> <li>• 6.90 <i>Personnel Records</i></li> <li>• 6.93 <i>Transfers</i></li> </ul>
Bargaining Agreements
<ul style="list-style-type: none"> <li>• Osceola County Education Association – Instructional Employees (OCEA-INST)</li> <li>• Osceola County Education Association – Education Support Professionals (OCEA-ESP)</li> <li>• Teamsters Local Number 385</li> </ul>





## OBJECTIVE AND APPROACH

### Objective

The objective of this internal audit was to evaluate the design and control structure, including adherence to policies and procedures, for the onboarding, employment changes, and out-boarding processes. This included an evaluation of the following areas: position advertising, completion of any required pre-employment consent forms, performance of necessary background check activities, candidate vetting and selection processes, job qualification, management of job description changes, salary adjustments, board approvals, exit processes, record keeping, nepotism and certain specific concerns provided to us regarding hiring or promoting decisions.

### Approach

#### Phase 1 – Understanding and Documenting the Process

The first phase consisted primarily of inquiry, in an effort to obtain an understanding of the key personnel, risks, processes, and controls relevant to the objective outlined above. The following procedures were conducted as part of this phase:

- Conducted interviews and walkthroughs with key personnel to obtain a detailed understanding of the District's operating policies and procedures as they relate to the processes within our scope:
  - Background check compliance
  - Onboarding documentation
  - Candidate vetting and selecting
  - Conditional offer management
  - Job description change management
  - Performance evaluations process compliance
  - Exit documentation and consistency, including exit interviews and closeout procedures
  - Nepotism
  - Improvements made within the Department over the past five (5) years (implementation of LaserFiche and BrassRing, implementation of virtual job fairs, improved exit survey process).
  - Specific concerns brought to us by District leadership
- Walkthroughs began on November 4, 2021 and continued throughout the engagement.



## OBJECTIVE AND APPROACH - CONTINUED

### Phase 2 – Evaluation of Risk Mitigation Processes and Controls

The purpose of this phase was to test compliance and internal controls. Our fieldwork testing was conducted utilizing a risk-based approach and other auditing techniques to meet our audit objectives outlined above. Procedures included:

- Evaluated the design of the key processes and controls identified in the previous phase through industry benchmarking, best practices, and comparable client experience.
- Reviewed and tested source documents for compliance with applicable District and other policies, including, but not limited to:
  - Job posting request forms/requisitions and timeliness of online advertisements
  - Candidate qualifications and certifications as compared to posted job requirements
  - Documentation of candidate screening, including interviews and scoring rubrics, if applicable
  - Documentation of recommended hire or no-hire decision
  - I-9 forms, FLSA exemption forms, FMLA forms, and FRS forms
  - Background and fingerprinting checks
  - Performance evaluations
  - Documentation of exit-processes, including exit interviews
  - Nepotism-related policies utilized by other entities
  - Review of applicable Board Policy and State Statutes
  - Review of reported instances of nepotism over the prior three (3) years
  - Documentation of ethics reporting and investigation
- Detailed testing sample selections included twenty-five (25) new hires, thirty-five (35) separated employees, ten (10) isolated job descriptions, twenty-five (25) employees who received a salary adjustment or promotion, and ten (10) reported ethics concerns.
- Evaluated the design of current District policies regarding conflict-of-interest identification and management, and employee selection processes, more specifically:
  - Assessed the processes for the employment of close relatives, specifically for immediate supervisors or another employee
  - Performed procedures to validate that the District provides mechanisms for anonymous reporting of ethics and HR related concerns.
  - Within the detailed testing, addressed attributes of specific concerns provided to RSM by board members

### Phase 3 – Reporting

Based on the results of our analysis and testing, we developed recommendations for process and control modification / addition / deletion for any design gaps or non-compliance issues identified. At the conclusion of this internal audit, we reviewed these results with the appropriate persons in management. We summarized our findings / observations and recommendation, including opportunities for improvement, into a written report to be presented to the Audit Advisory Committee and provided to the Board.



## OBSERVATIONS MATRIX

Observation	1. Hiring Process
Moderate	Through our detailed testing and discussions with management, we noted two deficiencies within the hiring process:
Description	<p><b>1. <u>Documentation of Hiring Decisions</u></b></p> <p>Initial candidate screening is completed at the school / department level, and while this decentralized approach creates a more autonomous hiring process and grants schools / departments the ability to choose candidates that fit their specific needs, it also creates the risk of inconsistent hiring decisions across the District. The District does not currently require hiring schools and departments to utilize a standard scoring rubric in order to objectively evaluate candidates. As such, we noted that thirteen (13) of the twenty-five (25) samples tested did not have evidence of a scoring mechanism. Similarly, hiring schools and departments are not required to document why a candidate was or was not chosen, although the BrassRing system does contain such a functionality. None of the twenty-five (25) samples tested contained documentation as to why a candidate was ultimately chosen for hire. However, through our testing we did not note any instances where an unqualified applicant was hired.</p> <p>Utilization of formalized scoring rubrics facilitates consistent evaluations based upon pre-determined criteria and hiring goals, and documenting the subsequent hiring decision provides evidence of employment decisions. Both of these actions can also help to prevent biases (perceived or real) from entering the employment process. Without consistently requiring and completing these tasks across all schools and departments, the District could be exposed to legal and reputational risk.</p> <p><b>2. <u>Documentation and Attestation of Familial Relationships</u></b></p> <p>In accordance with Florida Statute 112.3135, the Osceola County School Board Policy 6.12 states that, <i>“the School Board shall not employ two or more close relatives or family members where one individual is the immediate supervisor of another relative or family member... All known or reported instances of nepotism shall be investigated annually by the Superintendent or designee.”</i></p> <p><b>Standard Operating Procedures:</b> Per discussion with management and in adherence to the policy, if a nepotism-related concern were reported to the HR Department and/or the Superintendent, an investigation would be launched to determine relational proximity and potential conflicts of interest. Documentation of the investigation would be completed manually, any necessary personnel changes or relocations would be facilitated through the HR Department, and evidence of the investigation would be retained within the Department’s records. However, these procedures are not formalized to define step-by-step instruction, investigation expectations, potential resolutions, or to explicitly assign responsibility of the nepotism investigation process to an individual or team. While a nepotism policy does exist, documented Standard Operating Procedures (“SOPs”) do not. Policies are rules and regulations which help support the strategies of the organization, and are a necessary first step, while SOPs are a sequence of actions carried out by an individual to embody those policies. We requested documentation of formal nepotism complaints within our scope period so we could test that the complaints were properly investigated. However, there were no formal complaints regarding nepotism within the past three (3) years, and thus, no documentation was available for our review.</p>



## OBSERVATIONS MATRIX – CONTINUED

Observation	1. Hiring Process – continued
	<p><b>2. <u>Documentation and Attestation of Familial Relationships – continued</u></b></p> <p><b>Documentation:</b> The current process requires employees to self-report conflicting relationships at-will. There is no mechanism in place requiring new hires or existing employees to divulge familial relationships within the District upon beginning employment, prior to transferring a position change with a new working team, or after a significant life event occurs (i.e., marriage). Because employees are not required to attest that their immediate supervisor or subordinate is not a family member, the HR Department may only be aware of such conflicts of interest if they have personal knowledge of the employee(s) in question. Furthermore, if a familial relationship at the District is formally documented, there is no mechanism in place to systematically tag an employee’s profile for future tracking.</p> <p>Without a documented nepotism-related standard operating procedure, investigations may be done inconsistently, in an untimely manner, or without adequate documentation to provide an audit trail or legal protection. Furthermore, by relying on employees to report familial relationships at-will, the District does not have the tools necessary to identify or monitor workplace relationships in accordance with Statute. By strengthening processes and formally documenting employee familial relationships, the District can better manage the hiring process overall.</p>
<p><b>Recommendation</b></p>	<p>We recommend the District implement a consistent hiring system by producing a centralized source of information to guide and train all personnel involved in the hiring process. This comprehensive policy should act as a “playbook” for hiring school / departments to navigate their HR-related responsibilities, and should include, at a minimum:</p> <ul style="list-style-type: none"> <li>• Scoring objectives based on defined criteria and requirements to document how a candidate did or did not meet that criteria</li> <li>• Approved and prohibited interview questions for each employment category</li> <li>• Protocol for documenting interview feedback</li> <li>• Informational material on unconscious bias and how to reduce it</li> <li>• Procedures for screening multiple qualified candidates</li> </ul> <p>Furthermore, we recommend the District facilitate required annual training for all school / department staff involved in the hiring process (secretaries, principals, department directors, etc.) to reinforce the aforementioned hiring procedures. We also recommend the District require hiring schools and departments to utilize the disposition codes currently available in the BrassRing system to provide a consistent methodology for documenting why candidates are not chosen.</p> <p>We understand the District is currently implementing a whistleblower hotline, which may be used to help facilitate the communication and investigation of nepotism-related concerns. We recommend the Department continue to evolve this process by considering implementing a stop-gate control within the BrassRing hiring platform to prevent candidates from continuing in the hiring process without disclosing any familial relationships at the District that would violate State Statute and Board Policy. Additionally, SDOC may consider requiring employees to attest to any new conflicting relationships on an annual basis and/or prior to approving any personnel transfers. This attestation should include a statement that any applicant who withholds or gives false information regarding personal relationships is subject to disciplinary action and/or termination.</p>



## OBSERVATIONS MATRIX – CONTINUED

Observation	1. Hiring Process - continued
	<p>Furthermore, we recommend the district formalize a nepotism-specific SOP that includes, at a minimum:</p> <ul style="list-style-type: none"> <li>• Uniform methodology for documenting reported concerns. Documentation should include who submitted the concern, who the concern pertains to, relevant supervisors, department location, employee hire dates, etc.</li> <li>• Defined investigation expectations (i.e., who comprises the investigation team, procedures for initiating contact with personnel in question, use of formal notices and templates approved by General Counsel, etc.)</li> <li>• Acceptable investigation outcomes</li> <li>• Defined expectations regarding document completeness and retention</li> </ul> <p>Lastly, we recommend that Board Policy 6.12 be expanded to:</p> <ul style="list-style-type: none"> <li>• Prohibit immediate family members from participating in the recruitment and selection process</li> <li>• Require referrals to be facilitated through an employee listing, web posting, or written recommendation to the HR Department</li> </ul>
<p><b>Management Action Plan</b></p>	<p><b>Response:</b></p> <p>1. <u>Documentation of Hiring Decisions</u></p> <p>An Interview Hiring Guide and Interview Group Rating Form will be added in SDOC Resources Administrative Support Resources SharePoint site. Currently HR maintains a folder available to all hiring managers named Recruitment and Hiring Protocols. In this folder we have already included an Interview Question Bank. A Standard Operating Procedure (SOP) will be developed to ensure hiring protocols are followed consistently and appropriate records are maintained. A training module outlining the District expectations and requirements for candidate selection, interviews, and notifications of candidates after the selection has been made is currently being developed and will be required for all hiring administrators. This training will be available on-demand for hiring administrators to reference as-needed.</p> <p><b>Responsible Party:</b> Chief Human Resources Officer, Coordinator – HR Staffing, Personnel Services Systems, and Operations, and Supervisor of Operational Systems</p> <p><b>Estimated Completion Date: June 2022</b></p>



## OBSERVATIONS MATRIX – CONTINUED

Observation	1. Hiring Process - continued
<p><b>Management Action Plan</b></p>	<p>2. <u>Documentation and Attestation of Familial Relationships</u></p> <p>A section on School Board Rule 6.12 Nepotism has been added to the 2022-23 SDOC Employee Orientation in the Professional Ethics section. All SDOC employees are required to complete the SDOC Employee Orientation within the first twenty (20) workdays of each school year (or from the employee's starting date) as a condition of their employment.</p> <p>The nepotism rule will also be included in the SOP for hiring procedures. An introductory question is included on the Candidate Interview Guide along with an attestation for the hiring administrator to sign on the Interview Group Rating Form.</p> <p>Human Resources will add an attestation in BrassRing for the administrator to certify the candidate that is being offered the position is not related to any of the supervisory and/or administrative staff at the hiring facility that would be considered a violation of School Board Rule 6.12 Nepotism.</p> <p>The SDOC Employee Investigation and Progressive Discipline Procedures Manual will be updated to outline procedures in the event of a nepotism complaint.</p> <p><b>Responsible Party:</b> Chief Human Resources Officer, Director of Government and Labor Relations / Chief Negotiator, Coordinator – HR Staffing, Personnel Services Systems, and Operations, Recruitment/Retention Specialist, Employee Relation Manager</p> <p><b>Estimated Completion Date:</b> June 2022</p>



## OBSERVATIONS MATRIX – CONTINUED

### Observation 2. Employee Documentation and Contracts

**Moderate** During our review of the twenty-five (25) sampled employees hired between June 30, 2018 and June 30, 2021, we tested the presence and appropriateness of key onboarding documents, including I-9 forms, FRS forms, employee contracts, negative pre-employment drug tests, background checks, orientation documents, board approvals, and loyalty oaths.

**Description** We noted that, contrary to requirements set forth in Board Policy 6.18 and Florida State Statute 1012, the District does not maintain employment contracts for Administrative or Instructional employees. While employees are able to find relevant employment information through their pay stubs and the employee benefits app, signed and legally binding employment contracts that would protect the District from legal risk were not available. We understand the District has already begun improving the employee contracts process prior to our audit period.

Additionally, we noted various documents in employee files were missing, incomplete, or erroneously completed, and have summarized these exceptions below.

Document	Compliance Authority	Incomplete / Erroneously Completed	Missing
Loyalty Oaths	<i>F.S. Title XLVI 876.05</i>	1	-
Board Approval of New Hires	<i>SDOC Board Policy 6.10 F.S. Title XLVIII 1012.22</i>	-	1
Board Approval of Separated Employees	<i>SDOC Board Policy 6.52</i>	-	3
Drug Test	<i>SDOC Board Policy 6.17 F.S. Title XXXI 440.102</i>	-	2
I-9 Form	<i>SDOC Board Policy 6.17 Immigration Reform &amp; Control Act</i>	13	-
Annual Ethics Training	<i>SDOC Board Policy 6.27 F.A.C. 6A-10.081</i>	-	2*
Orientation Documents: Anti-Child Abuse Training	<i>SDOC Board Policy 6.70 F.S. Title V 39.0015</i>	-	2
Orientation Documents: Other	<i>SDOC Board Policy 6.70</i>	-	3

*\*Includes only the Administrative and Instructional employees, who, per Board Policy 6.27, are required to complete an ethics training. The Policy does not require, but encourages, all other employee types (i.e., Professional Support) to complete training as well.*



## OBSERVATIONS MATRIX – CONTINUED

Observation	2. Employee Contracts and Documentation – continued
<p><b>Recommendation</b></p>	<p>We understand the District has already begun improving the employee contracts process prior to our audit period. We recommend the District continue working on this initiative to begin regularly creating and executing contract agreements with all Administrative and Instructional employees, in accordance with Board Policy 6.18 and Florida Statute 1012. The Department may also consider utilizing a checklist to verify each onboarding document is both present and correctly completed. This checklist should include, at a minimum, each of the items identified in the above table, and should be housed in each employee’s personnel file.</p> <p>Additionally, we recommend the District consider automating the ethics training process; employees should receive a system-generated e-mail notifying them of upcoming ethics training due dates, periodic reminder e-mails, and finally a formal notice of non-compliance, if applicable, with listed repercussions.</p> <p>Lastly, we recommend the District revise Board Policy 6.17 to include a requirement for Loyalty Oaths, as stipulated in Florida Statute 876.05.</p>
<p><b>Management Action Plan</b></p>	<p><b>Response:</b></p> <ol style="list-style-type: none"> <li><u>Contracts:</u>                      Human Resources will distribute instructional annual contracts following board approval of principal recommendations on May 17. Instructional probationary contracts will be provided to new instructional staff when their first date of employment is established. Administrators will sign their next annual contract each year after the board approval in June.</li> <li><u>Employee Documents for personnel file: missing, incomplete, or erroneously completed:</u> <ul style="list-style-type: none"> <li>The HR check sheet will be improved to ensure all required documents and signatures are secured before the employee file is released to Laserfiche (virtual employee personnel file).</li> <li><i>Board Approvals of New Hires and Separated Employees:</i> A new method has been developed to capture employee appointment and separation information automatically for the Personnel Agenda presented to the School Board for approval. The information is now downloaded from a file in TERMS, that contains the information that is used for payroll purposes. Management wants to recognize there were over 12,000 entries on the agenda during the audit period.</li> <li><i>Drug tests:</i> A drug test is required as a part of the approval to receive a start date. The two missing tests were from the time frame at the beginning of the Covid pandemic when the drug lab was closed.</li> <li><i>I-9 forms:</i> Training for HR Senior Records Clerks will be enhanced to emphasize the 3-day timeline.</li> </ul> </li> </ol> <p><b>Responsible Party:</b> Chief Human Resources Officer, Coordinator – HR Staffing, Personnel Services Systems, and Operations, and Supervisor of Operational Systems</p> <p><b>Estimated Completion Date:</b> June 2022</p>





## OBSERVATIONS MATRIX – CONTINUED

Observation	3. Employee Action Forms
Moderate	
Description	<p>Employee Action Forms are currently utilized to facilitate an employee’s raise, promotion, or position change. In addition, Employee Action form are used for name changes, budget strip allocations, pay option changes, and other actions impacting an employee’s personnel record. These forms document the previous and new salary or hourly rate, the previous and new job title, work site, position number, pay type, etc. Each form must be signed by (1) the employee, (2) the principal / supervisor / department lead, and (3) the Human Resources Department. The date of Board Approval must also be included on the form. Through our review, we noted the following approval omissions:</p> <ul style="list-style-type: none"> <li>• Eighteen (18) of the twenty-five (25) samples did not list a board approval date on the Employee Action Form. Of these, the relevant board approval could be located for five (5). The remaining thirteen (13) had no evidence that the employment change was presented to or approved by the Board.</li> <li>• Seven (7) of the twenty-five (25) samples did not include the employee’s signature</li> <li>• In three (3) samples, the CHRO signed as the employee’s supervisor, but the position was outside of the HR Department</li> <li>• One (1) sample did not include a signature from HR.</li> </ul> <p>Furthermore, twenty-four (24) of the twenty-five (25) Employee Action Forms were not completed in their entirety. The HR Department is responsible for filling out key fields, including the date adjusted earnings begin and evidence that the Employee Action Form was routed to the Finance and Insurance Departments for further processing (if the employee change in question involves a raise, promotion, or other substantive changes). This information verifies that adjusted salaries and benefits are appropriately reviewed and applied by the correct department staff, and that all parties agree upon the changes made in an employee file. Without clearly notating the required approvals, or notating when specific approval may not be needed (i.e., name change), the District risks misunderstandings and disagreements regarding sick leave, vacation time, annual salaries, hourly rates, and general terms of employee promotions and transfers.</p> <p>Proper approval over personnel changes provides transparency and awareness of any promotions, salary adjustments, or transfers that may affect budgeted funds and district operations. Without documented multi-party approval from the employee, the supervisor, HR, and the Board, and without a mechanism to track familial relationships (see <b>Observation 1</b>), the District may be exposed to legal and reputational ramifications.</p>
Recommendation	<p>We recommend the District reinforce the consistent use of the Employee Action Form. Signatures must be obtained from all parties prior to the change’s effective date and after the change details have been filled out. The HR Department must document the board approval date after the raise / promotion / position change has been brought to the board and finalized, and before filing the Employee Action Form into the document depository. As the Department matures, Employee Action Forms may be automated through a workflow or completed electronically, reducing time spent in manual approval procedures and systematically providing a stop-gate control if proper approvals have not been obtained.</p>



## OBSERVATIONS MATRIX – CONTINUED

Observation	3. Employee Action Forms - continued
<p><b>Management Action Plan</b></p>	<p><b>Response:</b></p> <p>As noted in previous discussions with RSM, the Employee Action Form is a multipurpose form utilized for many different employment actions. There is not a specific requirement that all fields on the form be completed in its entirety. In the event the field on the action form is not needed, the Senior Records clerk will mark through or indicate “NC” for No Change.</p> <p>The action form has been in use since July 1990. Human Resources is currently in the process of working with Information Services to create virtual forms to phase out the use of the Employee Action Form. By creating virtual forms, data can be pulled in automatically from the employee record. A virtual separation form has already been created and is currently in use.</p> <p><b>Responsible Party:</b> Chief Human Resources Officer, Coordinator – HR Staffing, Personnel Services Systems, and Operations, and Supervisor of Operational Systems</p> <p><b>Estimated Completion Date:</b> July 2022 to June 2023</p>



## OBSERVATIONS MATRIX – CONTINUED

Observation	4. Offboarding Process
<b>Moderate</b>	Through our review, we noted two deficiencies within the offboarding process.
<b>Description</b>	<p><b>1. <u>Exit Interview Data</u></b></p> <p>Upon an employee’s departure from the District, the HR Department sends an e-mail containing (1) a web address directing users to an exit survey, and (2) contact information if the separated employee wishes to speak to a member of HR for a formal exit interview. If the e-mail address on file is longer valid, the HR Department sends a physical letter with the same information. Exit survey questions include:</p> <ul style="list-style-type: none"> <li>• <i>What role did you serve in the Osceola School District?</i></li> <li>• <i>What is the primary reason for leaving?</i></li> <li>• <i>What would have made you consider staying in the School District of Osceola County?</i></li> <li>• <i>Would you recommend the School District to others as a future place to work? Why or why not?</i></li> <li>• <i>If you were offered an opportunity to return to employment with the School District, would you accept?</i></li> <li>• <i>What could be done to make our District a better place to work?</i></li> </ul> <p>We noted there is currently no mechanism in place to track the employee feedback gleaned through both collection methods (exit survey and exit interview) for long-term trend analysis. The District does not aggregate all collected data into a centralized information repository, and does not perform ongoing data analysis procedures that would provide valuable insight into employment trends at SDOC.</p> <p>Exit survey and interview data may provide insight into opportunities for improvement, identify potentially problematic management practices and detect cultural concerns. A robust exit interview process may also bolster the recruitment and retention practices at the District, as separated employees can provide insight on employment trends, competitive benefit offerings, and employment packages offered by their next employer. Without a formalized procedure in place, the District may not be taking full advantage of the data available.</p> <p><b>2. <u>Decentralized Offboarding Tasks</u></b></p> <p>As is common with large entities, the District utilizes a decentralized approach to several applicant selection, onboarding, and offboarding processes. Decentralization of HR functions provides individual schools and departments the ability to make hands-on employment decisions based on their individual needs. However, with each decentralized component of the HR process comes increased risk that key functions are not carried out consistently across the District. As such, we noted the following irregularities within school / department offboarding tasks:</p> <ul style="list-style-type: none"> <li>• Twelve (12) of the twenty-five (25) samples tested had missing or incomplete documentation to verify that District property (building keys, parking passes, laptops, ID badges, etc.) were returned upon separation. Without collecting these items, separated employees may have unauthorized access to District files, personnel, and worksites, and physical assets may not be recouped upon separation.</li> </ul>



## OBSERVATIONS MATRIX – CONTINUED

<p><b>Observation</b></p>	<p><b>4. Offboarding Process – continued</b></p>
	<p><b>2. Decentralized Offboarding Tasks – continued</b></p> <ul style="list-style-type: none"> <li>Nineteen (19) of the twenty-five (25) samples submitted notices of resignations that were out of compliance with School Board Policy 6.52 (was not signed by the employee’s supervisor and/or addressed to the Superintendent), and three (3) of these resignations were not brought to the Board for review.</li> </ul> <p>The current decentralized approach creates a more autonomous offboarding process. However, without a structured control environment, the District is exposed to reputational, legal, and operational risk.</p>
<p><b>Recommendation</b></p>	<p>We recommend the District continue to improve the exit interview process by formally documenting exit interview procedures, including step-by-step actions for investigating areas of concern, and by creating a mechanism to track exit interview data. Information from both exit surveys and one-on-one interviews should be centrally housed and periodically reviewed for potential trends, areas for improvement, and insight into management practices and employee retention strategies.</p> <p>We recommend the Department enhance their current policies and procedures to create one centralized “playbook” to guide schools and departments through their HR responsibilities. In addition to the recommended content in <b>Observation 1</b>, this document may also include:</p> <ul style="list-style-type: none"> <li>Granting and revoking system and physical access to District property</li> <li>Disabling of account passwords and profiles</li> <li>Collecting District-owned assets</li> <li>Approving and processing letters of resignation</li> <li>Verifying address for distribution of final paycheck, if needed</li> </ul>
<p><b>Management Action Plan</b></p>	<p><b>Response:</b></p> <ol style="list-style-type: none"> <li><u>Exit Interview Process:</u> The district currently utilizes Survey Monkey which allows a download of the responses. Currently those responses are reviewed by leadership and any problematic responses are brought to the attention of the appropriate parties. HR will collaborate with Research and Accountability on a method to improve the analysis of data.</li> <li><u>Decentralized Offboarding Tasks:</u> A universal offboarding check sheet/system will be developed and all schools/facilities will be expected to utilize the system. HR will work with legal counsel to present an updated school board rule for consideration and approval regarding resignations.</li> </ol> <p><b>Responsible Party:</b> Chief of Staff for Teaching, Leading, and Learning; Deputy Superintendent of Human Services, Chief Human Resources Officer, Director of Research, Evaluation, and Accountability</p> <p><b>Estimated Completion Date:</b> July 2022</p>



## OBSERVATIONS MATRIX – CONTINUED

Observation	5. Job Descriptions
Low	<p>As part of our procedures, we reviewed ten current (10) job descriptions and the corresponding copy prior to their last immediate revision. RSM noted inconsistencies with the format, accuracy, and approval of job descriptions currently utilized by SDOC. These exceptions can be organized in three (3) categories:</p>
Description	<p><b>1. <u>Lack of Periodic Review:</u></b></p> <ul style="list-style-type: none"> <li>• During our review, we noted that three (3) of the ten (10) reviewed job descriptions, or 30%, had not been reviewed or revised within the past five (5) years.</li> <li>• Of these, two (2) samples had not been revised in the past twenty-six (26) years, since 1996.</li> <li>• Two (2) additional samples had no evidence of a review or revision date at all.</li> </ul> <p><b>2. <u>Lack of Review and Approval to Job Description Changes:</u></b></p> <ul style="list-style-type: none"> <li>• Of the five (5) job descriptions in our sample that had been reviewed within the past five (5) years, two (2) of them did not have evidence of the required approval over content changes.                             <ul style="list-style-type: none"> <li>○ School Assistant Principal: Changes to key responsibilities requires review and approval by the Professional Learning Community (PLC). While we obtained evidence that a PLC meeting was held, there is no documentation that this particular job description was reviewed or approved.</li> <li>○ Facilities Planning Technician: Changes to the Formal Education and Work Experience sections require review and approval from the Board. No board approval documentation could be obtained.</li> </ul> </li> </ul> <p><b>3. <u>Informational Inconsistencies:</u></b></p> <ul style="list-style-type: none"> <li>• The SDOC HR Department does not utilize FLSA forms for each employee, or require employees to acknowledge their FLSA status within the orientation acknowledgement form. Instead, the FLSA designation is expected to be included on each job description. However, we noted that fifteen (15) of the thirty-five (35) reviewed job descriptions did not include the FLSA exemption status. The U.S. Department of Labor requires all positions to be designated as either “exempt” or “non-exempt”. This status impacts the minimum wage and overtime pay requirements for specific types of employment, depending on the tasks performed and listed in the job description.</li> <li>• RSM noted that the Bus Driver job description did not list the requirements set forth in School Board Policy 6.172 – Employment of School Bus operators, or requirements stated in State Board of Education Rule 6A-3.0141. These governing authorities require that Form MCSA 5876 (Medical Examiner’s Certificate) and Form ESE 480 (Bus Driver Dexterity Test) be completed prior to hiring. Prior to the close of this engagement, RSM obtained updated copies of the Board Rule and Job Description and noted that both had been updated to include related verbiage.</li> </ul>



## OBSERVATIONS MATRIX – CONTINUED

Observation	5. Job Descriptions – continued
<b>Recommendation</b>	<p>We recommend the District review all job descriptions on a periodic basis of at least every five (5) years to make any necessary updates, additions, or deletions. A review history should be included on each document. Special attention should be made to verify that key responsibilities, education and experience requirements, and exemption statuses are up-to-date. Furthermore, if any revisions are deemed necessary, the HR Department should document that the specific job description was brought to the PLC or to the Board's attention and approval was acquired.</p>
<b>Management Action Plan</b>	<p><b>Response:</b></p> <ol style="list-style-type: none"> <li><u>Lack of Periodic Review</u>                      HR will develop a procedure and rotation timeline to ensure the over 700 job descriptions are reviewed once every five years. Throughout this process, inactive job descriptions will be phased out.</li> <li><u>Lack of Review and Approval of Job Description Changes:</u>                      PLC agendas will be updated to document review and approval of updates to key job responsibilities on job descriptions.</li> <li><u>Informational Inconsistencies</u>                      FLSA status was not a part of the previous job description template. In June 2022, the District developed a new template which lists the status at the top of the job description. The hiring administrator will incorporate an employee acknowledgement in the hiring process.                      The Bus Driver job description update with the inclusion of DOT medical certificate was submitted and approved by the School Board on April 5, 2022.</li> </ol> <p><b>Responsible Party:</b> Chief Human Resources Officer, Coordinator – HR Staffing, Personnel Services Systems, and Operations, and Supervisor of Operational Systems</p> <p><b>Estimated Completion Date:</b> June 2022</p>



## PROCESS IMPROVEMENT OPPORTUNITIES


### 1. Enhancements to Ethics Investigation Documentation

The Human Resources Department may receive reports regarding ethical violations and concerns from District employees, students, parents, or any member of the public. Concerns may be reported to HR in-person, over the phone, via e-mail, in a formal letter of complaint, or anonymously through the “Let’s Talk” program integrated into the District website. The District is also currently implementing a whistleblower hotline, which may serve as an additional method of receiving and investigating ethical concerns. The HR Department maintains a listing of all reported ethical violations and concerns in a spreadsheet titled the HR Incident Database, which includes the incident intake date, the name and employee ID relevant to the employee of concern, a brief description of the incident, and notes regarding incident closure.

Through our detailed testing, we found that 100% of the 10 (ten) sampled reported concerns had sufficient evidence of formal investigation by a member of the Human Resources Department. No exceptions were noted in our detailed testing of the completeness of the investigation files.

However, we noted that a summary of the results of these investigative efforts are not consistently documented in the HR Incident Database file, which acts as a master spreadsheet to summarize the status of all ethical investigations at the District. 32% (173 of 546) of reported ethical concerns listed within our audit period were incompletely summarized on the Incident Database file.

The District should consider monitoring and maintaining the Incident Database file so that it is complete and accurate in real time, in order to enhance transparency and protect the District from undue reputational and legal risk.



RSM US LLP  
1861 International Drive  
Suite 400  
McLean, VA 22102  
321.751.6200

**[www.rsmus.com](http://www.rsmus.com)**

RSM US LLP is a limited liability partnership and the U.S. member firm of RSM International, a global network of independent audit, tax and consulting firms. The member firms of RSM International collaborate to provide services to global clients, but are separate and distinct legal entities that cannot obligate each other. Each member firm is responsible only for its own acts and omissions, and not those of any other party.

For more information, visit [rsmus.com/aboutus](http://rsmus.com/aboutus) for more information regarding RSM US LLP and RSM International.

© 2022 RSM US LLP. All Rights Reserved.

