TUCSON UNIFIED
SCHOOL DISTRICT

HUMAN RESOURCES
Internal Audit Report

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List of Acronyms

Abbreviation	Definition
AAC	Arizona Administrative Code
AAP	Annual Audit Plan
AASPA	American Association of School Personnel Administrators
ADOE	Arizona Department of Education
AppliTrack	Application Tracking in Talent Ed software
A.R.S.	Arizona Revised Statutes
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CHCO	Chief Human Capital Officer
CTE	Career and Technical Education
DOE	Department of Education
DOG	District Operating Guide
e-PAR	Electronic Personnel Action Request
ERP	Enterprise Resources Planning (software)
ExEd	Exceptional Education
EXMI	Experience Management Institute
FSD	Financial Services Department
IIA	Institute of Internal Auditors
HC	Human Capital
HR	Human Resources
HRIS	Human Resources Information System
HRLT	Human Resources Leadership Team
IT	Information Tech
iVEE	Infinite Visions Enterprise Edition, powers ERP software, (aka iVisions)
LAPR	Library, Archives and Public Records.
MRC's	Management Responses & Commitments
OIA	Office of Internal Audit
pHCLE	Professional Human Capital Leaders in Education
TalentEd	Talent Education (software)
TUSD	Tucson Unified School District
USFR	Uniform System of Financial Records

EXECUTIVE SUMMARY

The Office of Internal Audit (OIA) has completed the performance audit of the Human Resources (HR) department, as scheduled in the Annual Audit Plan for the 2023-2024 school year.

The Human Resources department (HR) is entrusted with managing the district's efforts from recruiting through retirement of employees. HR is managed by the Chief Human Capital Officer (CHCO) and the HR Leadership Team (HRLT).

HR utilizes two different software systems to perform their tasks; TalentEd, which is an applicant tracking and recruiting software, and Infinite Visions (IVEE, also known as iVisions) which powers the District's Enterprise Resources Planning (ERP). Both systems are independent of each other and do not communicate or share information.

HR is responsible for procedures applicable to employee recruiting, training, retention, benefits, retirement, etc. The HR slogan, quoted from their website: "Your TUSD Partner from Hire to Retire". Recruitment includes attracting qualified and diverse candidates that have a passion for education.

This audit examined general procedures, practices, and functions associated with recruiting, hiring, and retention.

The purpose of this audit was to identify areas for improvement associated with recruiting, hiring, and retention processes. This goal was achieved by reviewing general and randomly selected procedures, practices, and functions to determine their efficiency and effectiveness. Additionally, the audit includes some of the reviewed findings from the previously conducted external audit. Specifically, Experience Management Institute (EXMI), contracted in February 2022, external audit report issued July 2022.

The audit scope covered activities from January 1, 2022, through September 5, 2023.

The objectives of this performance audit were to assess, review, and evaluate the:

1. Recruitment and selection Process.
2. Employee onboarding and orientation.
3. Training and development programs.
4. Employee performance management.
5. Human resources and communication.
6. Compliance with employment laws.
7. Human Resources Information System (HRIS) Management, and record retention.

Audit objectives were accomplished by:

a- Interviewing HR staff.
b- Reviewing information provided by HR, and information independently obtained.
c- Evaluating practices and processes in comparison to applicable benchmarks and guidelines.
d- Comparing provided data to information obtained from collaborating departments, such as:
   i. Time worked and overtime worked.
   ii. Employee accesses and rights in the system.

Excluded from this audit were staff and activities related to substitute teachers, employee benefits, and wellness,

Performance audits could be viewed as a combination of an assurance and operational audit, with a broader scope, they evaluate the efficiency and effectiveness of a program, activities, or functions. Findings for performance audits do not commonly have a well-defined criterion, instead, observations rely on comparing processes to benchmarks and acceptable practices to determine and substantiate efficiencies and effectiveness. This audit used the Professional-level Standards outlined by the American Association of School Personnel Administrators (AASPA) who developed the Professional Human Capital Leaders in education (pHCLE) standards. The lack of existing criteria creates a challenge when attempting to conduct follow-up audits performed by external companies. Such is the case with the external audit by EXMI, which included thirteen findings and thirty-one recommendations, with no direct evidence to support the reported findings.

Observations included in this audit:

1. Hiring process redundancies and time constraints.
2. Operational rights and accesses in the IVEE (aka iVisions) system.
3. Dual roles being performed by some HR staff.
4. HR Associates are performing duties that should be segregated.
5. Minimal internal controls in the reviewed processes.
6. Record retention-not in compliance with the Arizona State Library, Archives and Public Records.
7. Several inconsistencies and/or errors were noted within the reviewed information.

BACKGROUND

The mission of the Tucson Unified School District (District) is "...in partnership with parents and the greater community, is to assure each pre-K through 12th grade student receives an engaging, rigorous and comprehensive education. The District is committed to inclusion and non-discrimination in all District activities. At all times, District staff should work to ensure that staff, parents, students, and members of the public are included and welcome to participate in District activities." [1]

The Human Resources Department (HR) is entrusted to manage and supervise the Tucson Unified School District recruiting, hiring, retaining, and retiring processes. HR is led by the Chief Human Capital Officer (CHCO) and supported by its leadership team and staff. Additionally, HR oversees employee benefits, requests for substitute teachers, and wellness.

The Districts Operating Guide (DOG), states, "The Human Resources Department is responsible for overseeing the entire process from recruitment, staffing, training to retirement. The department is led by the Human Resources Executive Director and consists of Benefits, Employment Equal Opportunity (EEO) & Americans with Disabilities Act (ADA) Office, Employment, Recruitment & Retention, Sub Office, and Time & Attendance Office. The goal of the Department is described in Governing Board Policy GA -Personnel Goals/Priority Objectives." [2]

Policy -Code -GA: Personnel, "The Board recognizes that dynamic and efficient staff members dedicated to education are necessary to maintain a constantly improving educational program. The Board is interested in its personnel as individuals, and it recognizes its responsibility for promoting the general welfare of the staff members." [3]

The HR department utilizes two different software systems, TalentEd and Infinite Visions, explained in "The TUSD Hiring Manual" updated November 30, 2023, as "Infinite Visions Enterprise Edition (IVEE) is our Enterprise Resource Planning system and Human Resources Information System (HRIS). IVEE is the system of record for people, positions, and pay (as well as budget, finance, warehouse, fixed assets, and purchasing). The HR team has administrator access to personnel functions in IVEE for employee lookup, edits, and staff history items. Please connect with a Staffing Analyst for a tutorial on how to use the platform successfully... TalentEd is an Applicant Tracking and Recruiting software designed to optimize the recruiting process." [4]

Both systems are independent of each other and do not communicate or share information.

STATEMENT OF AUDITING STANDARDS

This audit followed the Institute of Internal Auditors (IIA) and applicable criteria, including but not limited to, the following benchmarks, guidance, and standards: TUSD Policies and Regulations, Uniform System of Financial Records (USFR), Arizona Revised Statutes (A.R.S.), Department of Education (DOE), Human Resources provided procedures, and Professional Human Capital Leaders in Education (pHCLE) used by Experienced Management Institute (EXMI) who conducted HR's external audit.

A performance audit may best be explained as a combination of an assurance and an operational audit that encompasses a broader view than a traditional audit, such as financial or compliance audit. It evaluates the efficiency and effectiveness of an organization's programs, processes, and/or functions. Performance audits commonly lack criterion to address findings that might be consider

subjective; therefore, to maximize objectivity, this audit will be referencing standards published by the American Association of School Personnel Administrators (AASPA), where applicable.

"AASPA is a professional organization for school personnel administrators. It was founded in 1946 and represents over 14,000 members who work in public and private schools across the United States. They publish the pHCLE standards.

These pHCLE standards outline competencies that leaders in PK-12 and related organizations need to strategically manage human capital process. They address the managing and developing of the human resources within an educational organization, from teams to individual levels. They are considered fundamentals to the responsibilities for recruiting, hiring, training, and retaining employees, in addition to ensuring compliance with employment laws and regulations. pHCLE, may also be implemented to improve the performance and productivity of the organization's workforce, which can ultimately lead to better student outcomes." [5]

These professional standards are based on a strategy and three revolving elements: Risk Management, Process Management, and Experience Management.

STRATEGY	PROCESS MANAGEMENT
1. Understand how organizational strategy should influence HC processes. 2. Assist in developing a human capital strategy. 3. Identify different types of organizational structures and how they impact decision-making. 4. Support the effective and equitable stewardship of resources.	1. Use mapping tools to define new and existing processes. 2. Apply process improvement methodologies and tools. 3. Identify key performance indicators (KPIs). 4. Collect valid and reliable data for decision-making. 5. Leverage technology to improve performance and increase equity. 6. Support employees through the change process.
RISK MANAGEMENT	**EXPERIENCE MANAGEMENT**
1. Communicate a working knowledge of laws, policies, procedures, and agreements related to HC practices. 2. Ensure compliance with data governance, privacy, safety, and HC policies. 3. Assess and manage risk to a process or project. 4. Participate in the negotiation of agreements and contracts. 5. Maintain positive labor relations.	1. Solicit feedback to identify expectations and experiences throughout the customer journey. 2. Provide exceptional customer service to employees, students, and the community. 3. Implement inclusive and equitable policies and practices that meet the needs of a diverse workforce. 4. Manage relationships with partners.

Images from: Human Capital Leaders in Education Professional Standards [6]

AUDIT PURPOSE, OBJECTIVES, AND METHODOLOGY

The purpose of this performance audit of the HR department was to evaluate their overall efficiencies, effectiveness, and implemented improvements since Internal Audit reviewed their hiring processes on November 19, 2021. Furthermore, this audit considered changes following the contracting of the external auditing company, EXMI, in February 2022, which completed its audit report in July 2022.

The following audit objectives were developed to assist Internal Audit in evaluating the performance of the department's processes, they included assessing, reviewing, and evaluating the:

1. Recruitment and selection process.
2. Employee onboarding and orientation procedures.
3. Training and development programs.
4. Employee performance management.
5. Human resources and communication.
6. Compliance with employment laws.
7. Human Resources Information System (HRIS) Management, and record retention.

Objectives were accomplished by conducting meetings with assigned HR staff, reviewing information provided by HR, and analyzing it against independently collected data.

Several random samples were selected from iVisions to evaluate the division's performance on applicable activities. Relevant documents were obtained from collaborating departments and compared to corresponding documents from HR.

Additionally, several random samples were retrieved from iVisions in four e-PAR categories: Positions Requests, New Hire Assignment, Staff Termination, and Payroll Changes. The results from the randomly selected samples were compared to, and cross-referenced against, the provided worksheets from HR.

AUDIT SCOPE AND EXCLUSIONS

The audit scope was from January 1, 2022, through September 5, 2023.

Excluded from this audit were staff and activities related to substitute teachers, employee benefits, and wellness.

GENERAL INTERNAL AUDIT DISCLAIMER

All audits contain inherent limitations, such as mistakes caused by time, human errors, potential fraud, illegal acts, or instances of noncompliance that go undetected. The reasons behind these risks are countless, including lack of resources, inadequate controls, changes in conditions, employees circumventing set processes, management overriding systems, changes in leadership, etc.

General Uniform System of Financial Records (USFR) – "Introduction – "The Uniform System of Financial Records (USFR) has been developed by the Office of the Auditor General and the Arizona Department of Education pursuant to Arizona Revised Statutes (A.R.S.) §15-271. The USFR prescribes the minimum internal control policies and procedures to be used by Arizona school districts for accounting, financial reporting, budgeting, attendance reporting, and various other compliance

requirements. These policies and procedures are in conformity with generally accepted practices and federal and state laws.

However, districts may use alternative policies and procedures if they provide the same level of internal control over accounting, financial reporting, and compliance with state and federal laws. The requirements of the USFR are based on the Arizona Constitution; Arizona Revised Statutes; Arizona Attorney General Opinions; the Codification of Governmental Accounting and Financial Reporting Standards, published by the Governmental Accounting Standards Board; Financial Accounting for Local and State School Systems 1990, issued by the United States Department of Education, Office of Educational Research and Improvement; relevant sections of the Code of Federal Regulations; and other federal requirements." [7]

HR PROGRESS ON IMPLEMENTING RECOMMENDATIONS FOR IMPROVEMENTS

HR has developed a strategic plan to systematically address the thirteen findings and thirty-one recommendations noted in the EXMI external audit report. The EXMI recommendations have been grouped into four phases (Appendix A - Figure 2) and are expected to be implemented between June 2023 through December 2024 (see image below).[8]

PHASE 1: Vision, goals, cohesiveness, mindset, process review (June 2023 - December 2023)
Improve cohesiveness of leadership team
Improve internal and external perceptions of department culture
Embrace a continuous improvement mindset
Enhance the department vision and develop overarching goals that are aligned to the district strategic plan and goals
Document a department plan of action that connects and prioritizes work accordingly
Create an internally accessible repository of standard operating procedures (SOP's) and FAQs to ensure consistent answers
Define candidate touchpoints and follow up opportunities throughout the hiring process
Revise hiring process to minimize time to hire
Survey hiring managers/customers to determine communication disconnects
Hire and effectively onboard new HR employees to alleviate excessive staff overtime and reduce time to hire

Three HR teams have been created and assigned a set of audit recommendations; example of the first phase and its teams are illustrated by the images below.

PHASE I IMPLEMENTATION TEAMS

Team 1 Leadership and Improvement	29. Improve cohesiveness of leadership team
	30. Improve internal and external perceptions of department culture
	31. Embrace a continuous improvement mindset
Team 2 Vision, Mission and Goals	2. Enhance the department vision and develop overarching goals that are aligned to the district strategic plan and goals
	3. Document a department plan of action that connects and prioritizes work accordingly
	28. Create an internally accessible repository of standard operating procedures (SOP's) and FAQs to ensure consistent answers
Team 3 Hiring Experience	1. Revise hiring process to minimize time to hire
	5. Survey hiring managers/customers to determine communication disconnects
	7. Define candidate touchpoints and follow up opportunities throughout the hiring process
	9. Hire and effectively onboard new HR employees to alleviate excessive staff overtime and reduce time to hire

Image provided by HR Department [9]

The Human Resources Department monitors applicant demographics and uses this information to develop recruitment strategies. Current recruiting incentives include stipends for hard-to-fill teaching positions (i.e., Ex. Ed., Math, and Science), Teacher Diversity, Two-Way Dual Language, and Magnet Schools stipends. These stipends, for SY 23-24, contributed to the hiring of:

- 24 teachers for Magnet Schools, and
- 152 Teachers in hard to fill positions, placed as follows: 81 in Ex Ed., 36 Math, and 33 Science.

Additionally, HR's strategy involves building a robust pipeline and creating TUSD advocates through strong relationships with Arizona Community Colleges and Universities. This includes developing and building strong relationships with schools and organizations to attract student teacher candidates, proactively provide intent-to-hire offers for teachers, social workers, counselors, and psychology externs.

Recruiting efforts included several external and internal activities, listed in the tables below:

External: Job Fairs, Universities, and international, includes:

Recruiting Venues	Number of candidates and/or Positions:
Hosted Job Fair in Spring (March 10, 2023)	182 total hires (101 Certified, 81 Classified)
Hosted Job Fair in Summer (June 23, 2023)	115 total hires (44 Certified, 74 Classified)
Placed Student Teachers in Spring 2024	113 candidates
International Teachers hired	56 (Ex Ed, Math, Since, and other subjects)

Internal: Grow Your Own Program for Certified and Classified staff, used to recruit talent, includes:

Grow Your Own Program Subsections:	Number of candidates currently enrolled:
Make the Move (MTM) Exceptional Education	21 (Requires a 4-year commitment)
Support Teacher Development Academy	25 (Requires a 4-year commitment)
Master of Educational Leadership	7 (For aspiring educational leaders seeking an administrative certificate)
Arizona Fellows	31 Candidates (Participants seeking their bachelor's degree)
U of A Pathways	12 Candidates (Student Teacher placements for candidates pursuing alternative teacher
Leadership Prep. Academy	26 (For staff seeking an administrative position)
Principal Boost	15 (For school administrators aspiring to be a K-12 school principal)

HR introduced a "Stoplight Report" to identify staffing levels for each TUSD site. The report provides a snapshot of sites, indicating their level of staff vacancies measured by using the following parameters:

All Staff for Sites / Departments Monitoring % of Vacancies		
Critical: Equal or Greater than 20%	Monitoring: Greater than 10% but less than 20%	Acceptable: Less than 10%

Based on the above limits, HR will conduct an intervention when a critically low staffing level is identified. The goal is to provide additional support to struggling sites by discussing the challenges they are facing and collaborating on solutions.

An example of the benefits resulting from tracking staff needs is illustrated by the changes incurred in the Transportation department. (images of tracking applicants are below):

238 ➡ 400

Apps to meet Goal	162		
Applications	**238**	**176**	**176**
Week End	Apps Recvd	Interviewed	Start Process
Nov-05	0	0	0
Nov-12	0	0	0
Nov-19	0	0	0
Nov-26	0	0	0
Dec-03	0	0	0
Dec-10	0	0	0
Dec-17	0	0	0

51 ➡ 110

Trainees to meet Goal	59		
Bus Driver in Training	**51**	**32**	**46**
Completion Date	In Training	Unqualified	Certified
Nov-05	53	2	2
Nov-12	51	0	1
Nov-19	40	1	2
Nov-26	40	1	2
Dec-03	37	0	3
Dec-10	34	2	2
Dec-17	30		

184 ➡ 200

Drivers to meet Goal	16			
Bus Driver	**184**	**4**	**19**	
Completion Date	Drivers Available	Drivers LOA	Drivers Separated	
Nov-05	176	2	1	173
Nov-12	177	2	0	175
Nov-19	179	2	0	177
Nov-26	181	2	0	179
Dec-03	184	2	0	182
Dec-10				0
Dec-17				0

Image obtained from HR's Recruiting and Tracking [10]

Human Resources also monitors web traffic on their Careers page and uses this data to assist in focusing their recruiting efforts and allocation of resources. In January 2024, HR is anticipating the launch of a targeted Ex Ed strategy in an effort to alleviate the persistent shortage in these specialized positions.

Additionally, during this year, a site-level attrition report will be generated to determine the reasons some employees leave the District.

Lastly, in the future, there are anticipated plans to perform: Exit interviews, stay interviews, and potentially check-in-surveys to obtain feedback from employees regarding their experience at the District.

The listed findings and recommendations were based on the departments provided documents, staff meetings, observed practices, information provided by HR, analysis of independent data, related procedures, and findings in the EXMI external audit report.

AUDIT OBSERVATIONS AND RECOMMENDATIONS

1. CONDITION: Hiring process redundancies and time constraints:

- SUPPORTING EVIDENCE / OBSERVATIONS (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
  o Currently there are twelve HR Associates for a district of approximately 7,200 employees. These twelve associates are required to process recruiting, hiring, onboarding, terminations, payroll changes, and several other e-PAR requests submitted to HR. Multiple analyses were performed regarding e-PARs.

  o Examples for two randomly selected months, including processing times and average overtime hours for the two-month period, are included in the table below.

HR Associate	Hours Worked		Total Time	Number of e-PARs Process		Avg. OT/for the Period
	Jul-23	Aug-23		Jul. e-PAR's	Aug. e-PAR's	
1	280.8	263.95	544.75	303	238	55.80
2	199	193.75	393.20	161	203	14.23
3	238.75	233.95	472.70	255	427	18.23
4	205.7	229.75	435.45	171	252	18.55
5	243.54	255.80	499.34	111	295	36.85
6	157.75	199.05	356.80	254	236	9.46
7	211.5	267.60	479.10	322	237	33.17
8	219.46	148.33	367.79	158	143	15.94
9	286.3	263.65	549.95	215	276	48.38
10	264.15	361.95	626.10	161	332	64.38
11	208.3	236.20	444.50	249	355	48.97
Sum Totals:	2,515.70	2,653.98	5,169.68	2,360	2,994	363.97

  o Most all experienced HR associates work overtime, every pay period.
    - Two e-PARs are required for most hiring transactions:
      - The first e-PAR is to create a vacancy, needed to advertise/post the position(s).
      - Entered in iVisions by the sites/departments.
      - This same e-PAR is referenced when the sites/departments submit their request to post in TalentEd.
    - Depending on what is being requested, sometimes, only one e-PAR may be necessary in iVisions.
      - The two systems do not communicate with each other.
    - Once the requisition is entered in TalentEd, it triggers HR to post the vacancy.
    - Once a candidate is selected, a second e-PAR is required to be submitted to iVisions.

- ▪ If a current employee is resigning, another e-PAR is required to be submitted to iVisions.
- ▪ When an active employee receives or requests a compensation change, another e-PAR is required to be submitted to iVisions.
- ▪ Etc.

- **APPLICABLE CRITERIA** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
  - o Previous findings, EXMI external audit report:
    - ▪ EXMI – "Performance Management: Maintaining or improving job performance through ongoing supervisor and employee interactions." [11]
  - o Previous Internal Audit findings: The over-timed being paid would pay for two full time employees plus one part time employee.
    - ▪ The departments pay out of their over-time has improved, based on the new calculated overtime, they would be able to pay for one full time employee, and one part time employee.
    - ▪ Timely processing of e-PARs for New Positions.
    - ▪ Timely processing of e-PARs for reassignments.

- **EFFECT / POTENTIAL RISK** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
  - o Overworked, stressed, and fatigued employees.
  - o Impact on HR's employee retention. Increased errors and/or omissions.
  - o Potential loss of applicants due to slow processing.
  - o Counterproductive to recruiting, retention, and brand development efforts.
  - o HR's processing burden has been further impacted by their deadlines being recently shortened.
    - ▪ Previously requests were required to be completed by the last Tuesday preceding an effective date.
    - ▪ Recent changes now require requests completed by the last Monday preceding an effective date.
  - o Additional labor costs to the district, i.e., overtime pay vs regular pay.

- **RECOMMENDATION(S):**
  - o Work toward reducing redundancies within the existing process.
  - o Work toward minimizing the processing time of all e-PARs.
  - o Maintain adequate staff members to complete required tasks.
  - o Reduce overtime hours.

2. **CONDITION:** Operational rights and accesses in the IVEE (aka iVisions) system.

- **SUPPORTING EVIDENCE / OBSERVATIONS** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
  Information obtained from the iVisions administrator included fourteen roles, over 1500
  listed actions, from which a sample of over 383 activities were reviewed. Eleven of the HR
  roles were analyzed, and some of the findings are listed below:

  - The CHCO and HR Directors have the same privileges.
  - Conflicting and/or incompatible permissions provided on processes that
    should be segregated, including, but not limited to rights and accesses
    not directly related to staff's duties and functions.
    - Examples include:

      Purchasing and payables -controls panel: Some roles have issuing,
      modifying, adding, and approving rights.

      Of the 383 activities reviewed, 54 were noted to have full access
      by all HR roles, including but not limited to: Reports about Benefits
      Eligibility, Staff Master Data, and Substitute Listings. Other, such
      as Attendance: Leave Plans, and Payroll Default Settings, had full
      rights, but to only one role.

- **APPLICABLE CRITERIA:** Global Technology Audit Guide (GTAG) – Auditing Application
  Controls.

  - GTAG: "Application controls that pertain to the scope of individual
    business processes or application systems, including data edits, separation
    of business functions, balancing of processing totals, transaction logging,
    and error reporting. Therefore, the objective of application controls is to
    ensure that:
  - Input data is accurate, complete, authorized, and correct.
  - Data is processed as intended in an acceptable time period.
  - Data stored is accurate and complete.
  - Outputs are accurate and complete.
  - A record is maintained to track the process of data from input to storage
    ad to the eventual output.

  Access Controls - ...In most cases, the user and administrative access rights (e.g., read,
  write, and delete) are built using the inherent security platform and tools within the
  application. The strategies employed to determine which logical access rights will be
  assigned to user vary from a need-to know basis to a need -to-withhold basis.
  Regardless , the access rights should be granted based on the user's job functions
  and responsibilities..." [12]

- **EFFECT / POTENTIAL RISK** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
  - Undetected changes.
  - Unauthorized changes.

- o Added time correcting errors.
- **RECOMMENDATIONS:** Review current rights and accesses with the system administrator. Ensure rights and accesses align with the staff's functions and responsibilities.

3. **CONDITION:** Dual roles being performed by some HR staff members.

- **SUPPORTING EVIDENCE / OBSERVATIONS** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
  - o At least two individuals are performing dual roles corresponding to different positions.
- **APPLICABLE CRITERIA** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
  - o The USFR guidelines are being used to address the relatable segregation of duties. While USFR does not delineate an employee performing two roles in the same department, it does provide guidance on segregating duties.
    - "USFR: Accounting Procedures – Introduction – "An effective accounting system can also help safeguard district assets from fraud, theft, or misuse. Accounting system policies and procedures formally documented and adopted by the governing board should provide separation of responsibilities, adequate internal checks and balances, and sufficient records to support financial transactions." [13]
- **EFFECT / POTENTIAL RISK** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
  - o Inadequate segregation of duties.
  - o Potential conflicting activities.
- **RECOMMENDATIONS:**
  - o Implement a plan for covering employee vacancies.
  - o Verify conflicting accesses, rights, and functions, to minimize potential conflicting activities and functions.

4. **CONDITION:** HR Associates are performing duties that should be segregated.

- **SUPPORTING EVIDENCE / OBSERVATIONS** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
  - o There are over one hundred individual tasks that need to be completed during the posting, hiring, and onboarding processes. Approximately ninety percent of these tasks are performed by the HR Associate, with minimal supervision.

    The table below, not all inclusive, lists some of the activities that are performed in a continuous manner by the HR Associate during the mentioned processes.

Activities Performed by HR Associates	
Processing electronic Personnel Action Requests (e-PARs) for jobs vacancies from assigned sites and/or departments.	Approving, Posting, and monitoring job vacancies.
Forwarding job applicants to appropriate sites and/or departments.	Closing the file and forwarding them to the records office.
Reviewing recommendations for hire.	Collecting interview questions from sites and/or departments.
Processing the e-PAR for hire in iVisions.	Entering recommended candidates for hire in the system.
Collecting and tracking selected applicants' pending documentation.	Calculating and determining salaries for proposed candidates.
Composing and issuing offer letter to selected nominees.	Verifying candidates' previous employment.
Inputting the selected applicants' information into the iVisions system.	Generating onboarding folder and required documents for the new hire.
Onboarding new hire and collecting any pending documents.	Completing the new hire checklist
Reviewing the newly onboarded employee in the system.	Closing the open request for hire, noting it has been filled, in the system

- APPLICABLE CRITERIA (INCLUDES BUT IS NOT NECESSARILY LIMITED TO):
    - o The USFR is commonly applied when addressing segregation of duties related to financial activities and processes. However, segregation of duties is not specific to any one sector of a business or process. Segregation of duties may encompass procedures being performed by one individual from beginning to end, and/or tasks that should be verified, prior to being finalized. This is often the case with many of the functions performed by the HR Associates. USFR: Accounting Procedures – Introduction – "An effective accounting system can also help safeguard district assets from fraud, theft, or misuse.
        - Accounting system policies and procedures formally documented and adopted by the governing board should provide separation of responsibilities, adequate internal checks and balances, and sufficient records to support financial transactions.
        - Responsibilities should be assigned to specific departments, if applicable, and adequately separated within departments so that one individual does not have complete authority over an entire financial transaction or process.

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- Districts should also periodically rotate responsibilities among employees when practical and require employees who process financial transactions to take vacation time and have another employee perform their responsibilities.
  - If adequate separation of responsibilities is not possible because of a district's limited staff size, district management should implement review procedures at appropriate points in the process to compensate for employees performing incompatible functions.
- The policies, procedures, and recordkeeping methods described throughout the Accounting Procedures section provide an effective accounting system and control environment for districts...." [14]

- EFFECT / POTENTIAL RISK (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
  - Errors and/or omissions on employee's information.
  - Overstated or understated salary calculations.
  - Inaccurate records.

- RECOMMENDATIONS:
  - Implement appropriate segregation of duties, as stated in USFR.

5. CONDITION: Minimal internal controls in the reviewed processes.

- SUPPORTING EVIDENCE / OBSERVATIONS (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
  - Minimal internal controls were observed through the processes performed by the HR Associates. The document titled "Hiring Process Flow-Chart", page one of two, provided by HR, illustrates the steps between tasks; however, it does not list any verifications between completed activities.
  - Conversations conducted with HR Associates, and other HR staff supported and confirmed these observations.
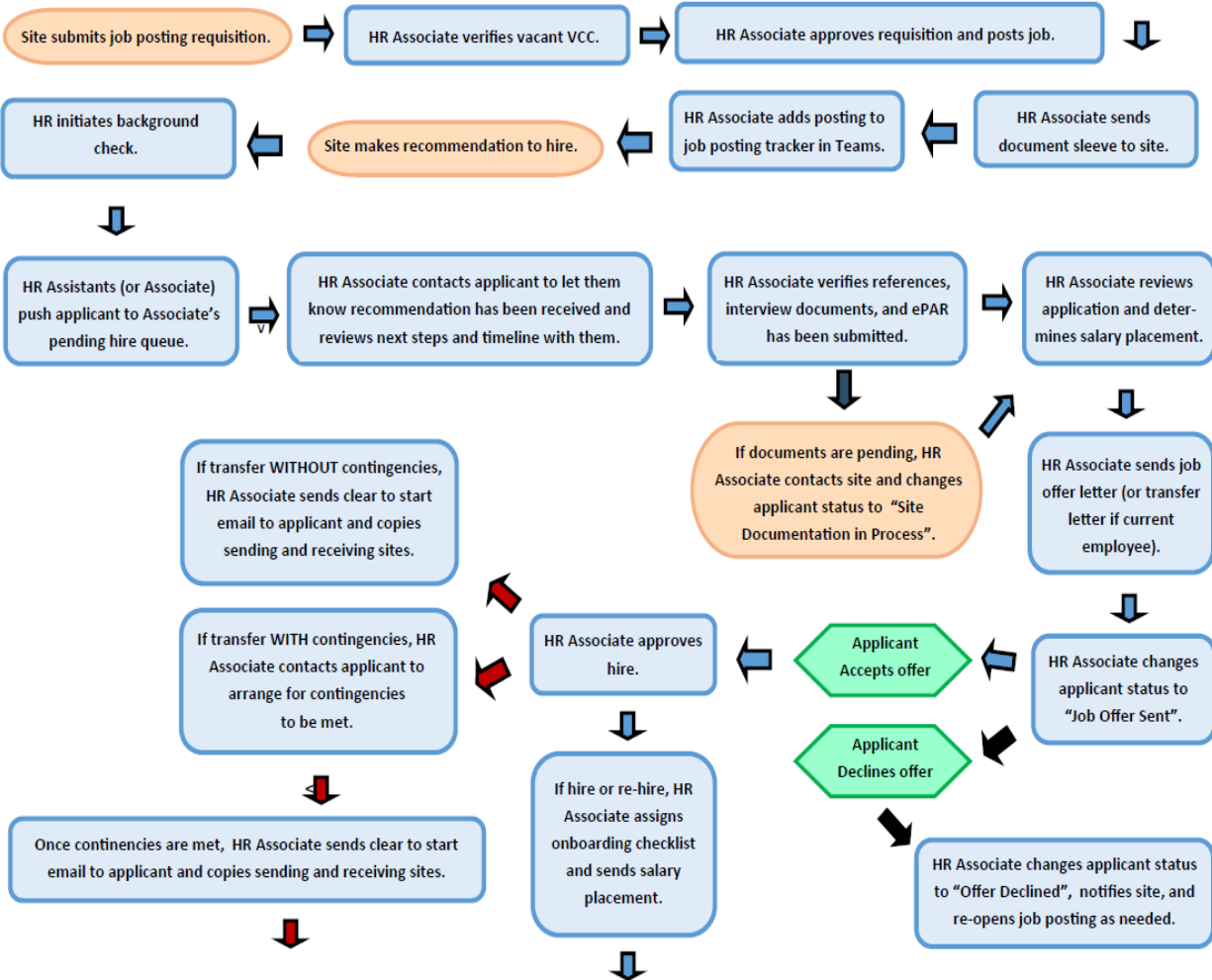
Hire Process Flow-Chart

Image from "HR Associate Training Guide" [15]

- **APPLICABLE CRITERIA:** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
  - USFR: Information Technology – Internal Controls –
    - "Application Controls: Application controls are manual or programmed activities intended to ensure the completeness and accuracy of records and the validity of entries made into business computer systems. They are embedded in business process applications and include checks over completeness, accuracy, validity, authorization, and separation of duties.
      - 1. Completeness checks help ensure all records were processed from initiation to completion (i.e., provide reasonable assurance that all transactions that occurred are input into the system), accepted for processing, processed in accordance with system requirements, and properly included in output...2. Accuracy checks provide reasonable assurance that transactions are properly recorded with correct information, data elements are processed

- correctly by applications, reliable results are achieved, transactions detected with errors are controlled to ensure that they are corrected and reentered in a timely manner, and output is reviewed and control information is reconciled to determine whether errors occurred during processing.
- 3. Validity checks help ensure that a program operates on clean, correct, and useful data by checking for correctness, meaningfulness, and security of data that is input into the system. The simplest data validation verifies that the characters provided come from a valid set...
- 4. Authorization checks help ensure that only approved users have access...
- 5. Separation of duties helps ensure that checks are in place to prevent fraud and errors by separating the tasks and associated privileges for a specific business process among multiple users. These controls include policies, procedures, and an organizational structure established so that one individual cannot control key aspects of computer-related operations and thereby conduct unauthorized actions or gain unauthorized access to assets or records." [16]

- **EFFECT / POTENTIAL RISK** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
  - o Errors and/or omissions on employee's information.
  - o Overstated or understated salary calculations.
  - o Inaccurate records.

- **RECOMMENDATIONS:**
  - o Review and update existing processes and procedures as needed.
  - o Adhere to best practices and applicable USFR guidelines.
    - Consider developing a review process.
  - o Provide training to sites and departments to facilitate the recruiting, hiring, and retention processes.

6. **CONDITION:** Record retention not in compliance with the Arizona State Library, Archives and Public Records.

   - **SUPPORTING EVIDENCE / OBSERVATIONS** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
     - o Four of six randomly selected employee folders were missing references.
     - o Conversations with the staff in the record retention office led to discovering:
       - Records for contract employees, and for classified employees, are retained for six years.

- Classified employee records are being kept one year longer than the recommended retention period stipulated by the Arizona State Library, Archives and Public Records.
- TUSD Policy GBJ and Regulation GBJ-R is stated as a general requirement and does not identify or distinguish an official personnel file as applying to contract or classified employees.

- **APPLICABLE CRITERIA** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
    - Policy-Code-GBJ: Personnel Records and Files, Section G: Personnel, "Official Personnel File: The District will maintain a complete and current official personnel file for each District employee in the Human Resources Office of the District. Employees may obtain one copy of there personnel file at no cost. Former employees may obtain a copy of there personnel file for a reasonable fee as set forth in Policy Regulation GBJ-R." [17]

    - Regulation- Code-GBJ-R: Personnel Records and Files Regulation, "Retention of Official Personnel File – The District will retain the official personnel file for five years after the employee's separation from the District." [18]

    - The Arizona State Library, Archives and Public Records – General Retention Schedule Created for: all Public Bodies (General Schedules): Human Resources/Personnel Records – (GS-1006)- 20704 -Employee Personnel Records, Official copy states: Employee Personnel Records, Official copy – states, "For full-time, part-time, seasonal, interns, volunteer, appointed, or elected positions. Including applications, resumes, performance reviews, disciplinary records, records documenting employee pay decision, loyalty oaths and oaths of office, conflict of interest and personal interest disclosure records, confidentiality agreements, policy acknowledgements, exist interviews, divers' qualifications, training, and pre-employment background check records. Retention Period, five years." [19]

    - The Arizona State Library, Archives and Public Records – General Retention Schedule Created for: all Public Bodies (General Schedules): Human Resources/Personnel Records – (GS-1006)- 20706 -Employee Personnel Records, Contract Employees- states, "For contract positions, including applications, resumes, performance reviews, disciplinary records, records documenting employee pay decisions, loyalty oaths and oaths of office, conflict of interest and personal interest disclosure records, confidentiality agreements, policy acknowledgements, exit interviews, drivers' qualifications, training, and pre-employment background check records, but not including criminal history information records. Retention Period, six years." [20]

    - Arizona Revised Statutes (A.R.S.) – 41-151.14 –State and local public records management; violation; classification-
    "A: The head of each state and local agency shall:

1. Establish and maintain an active, continuing program for the economical and efficient management of the public records of the agency.2. Make and maintain records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures and essential transactions of the agency designed to furnish information to protect the rights of this state and of persons directly affected by the agency's activities...

C: A head of a state or local agency who violates this section is guilty of a class 2 misdemeanor." [21]

- o A.R.S. 41-1482 - Recordkeeping; preservation of records; reports to division; furnishing information to other governmental agencies; information confidential; classification:

  "A. Every employer, employment agency and labor organization subject to article 4 of this chapter shall make and keep such records relevant to the determination of whether unlawful employment practices have been or are being committed, preserve such records for such periods and make such reports therefrom as the division shall prescribe by regulation or order, after public hearing, as reasonable, necessary or appropriate for the enforcement of this article and article 4. Compliance with reporting and recordkeeping regulations issued by the United States equal employment opportunity commission shall be compliance with this subsection." [22]

- **EFFECT / POTENTIAL RISK** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
  a. Non-compliance with regulations.
  b. Violation of managing public records, is potentially a class 2 misdemeanor.
     - Potential fines and penalties.
  c. Exposed liability
  - o Potential requests for, and subsequent sharing of, records retained past their required date.

- **RECOMMENDATIONS:**
  a. Dispose of records as required by applicable regulations.
  b. Establish and maintain a retention schedule as stipulated by the State of Arizona's General Record Retention Schedule.
  c. Work with TUSD's Legal department and Risk Management to update the TUSD Policy GBJ and Regulation GBJ-R and ensure they align with the requirements in the Arizona State Library, Archives and Public Records.

7. **CONDITION:** Several inconsistencies and/or errors within the provided information.

   - **SUPPORTING EVIDENCE / OBSERVATIONS:** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):
     - o Some of the examples below include highlighted text, were applicable, for the convenience of the reader:

Inconsistencies and/or errors:

    a. Data was provided through a SharePoint folder and , contained confidential details (i.e., ss, dob, etc.).

    b. Provided information regarding processing of e-PARs were missing an Associate.

    c. Undefined acronyms were observed throughout HR documents.

    d. Errors in the department's website, states "We are focused on providing our employees with exceptional customer service and information related to you're employment so that you can have a fruitful and joyful career with Tucson Unified."

- Should be "your". (Finding was observed to be corrected on 1/14/2024).

    e. In the Reference Checks section: "References in Arizona Public Education are governed by Arizona Revised Statute (ARS) 15-512, 23-1361 and GB Policy as outlined above.

- The Governing Board has several policies in the "GB" section, but no policy named "GB". The "Classified hires", on page 2 of the same document states "GB policies" appears to be what the sentence with the oversight is referencing.

Inconsistencies: HR's document titled "The TUSD Recruitment Process".

1. In the "Hiring Process for TUSD Direct Hires" diagram (partial illustrated and highlighted below), states HR will screen applicants for disclosures only, and the site will screen candidates for minimum job qualifications.
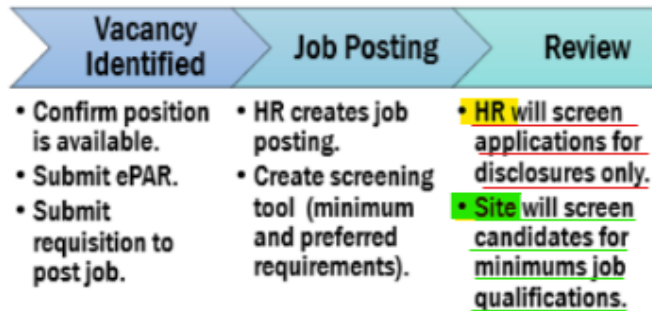
2. In the HR provided document titled "Hiring Process for TUSD Direct Hires", Step-by-Step Process under D. Selection Process, step 4, it states the hiring site is to complete reference checks (image below).

Step	Hiring Site	Human Resources
D. Selection Process	1) Select interview panel (must include 1 African American and/or Hispanic member) and coordinate schedule. 2) Invite candidates to interview. 3) Identify top candidate, then make verbal offer. 4) Complete reference check.	1) Review interview questions, if requested by hiring site.

- **APPLICABLE CRITERIA** (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):

  Correlated to the first error/inconsistency: "The TUSD Recruiting Process" in the "TUSD HR Systems and Recruitment Tools, states "TalentEd hosts both highly sensitive and protected candidate information. As a member of the Human Resources team, you are responsible for treating that information with the utmost discretion and confidentiality, understanding that access to this tool should be limited to essential stakeholders." [23]

  o Corresponding to listed inconsistencies:

    ▪ The District Operating Guide (DOG), highlighted sentence, contradicts what is stated in the HR's "Hiring Process for TUSD Direct Hire" (image below) [24].

TUCSON UNIFIED
SCHOOL DISTRICT

HIRING PROCESS

Interviewing, Screening & Recommendation For Hire Process
Below are guidelines for your process as found in all Tucson Unified School District Employment agreements to assist you in interviewing and making a hiring recommendation for your vacant position.

1. You will receive all applicants that meet the basic minimum requirements for the vacancy. All referred applicants have been notified that their application has been referred to your site for further consideration.

    ▪ The "Hire Process Flow-Chart" (image below) in the Associate's Manual (aka, The Kermit) states, "HR Associates verify references", highlighted and underlined below, not the site.

Hire Process Flow-Chart
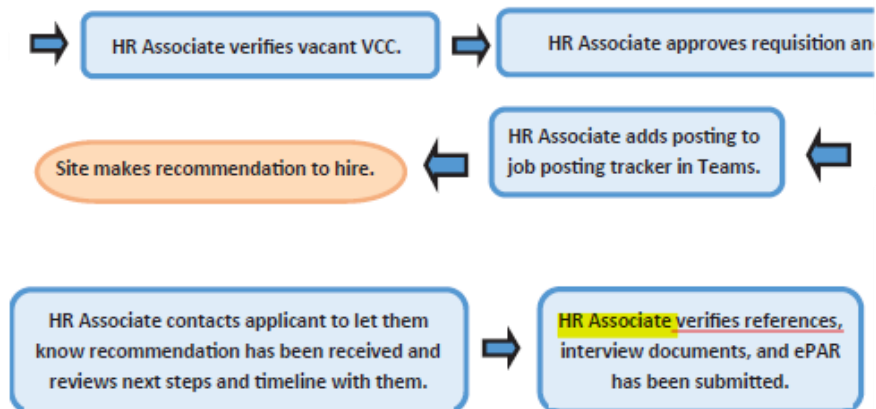
o Additionally, The District Operating Guide (DOG), "Step-by-Step Instructions" 7b., states " Site Recommends Applicant for Hire in AppliTrack…b. Complete reference checks & complete AppliTrack forms." [25]

TUCSON UNIFIED
SCHOOL DISTRICT

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   b.   Applicants that meet the minimum requirements are screened and forwarded to sites

7. **Site Recommends Applicant for Hire In AppliTrack**
   a.   Site conducts interviews
   b.   Complete reference checks & complete AppliTrack forms
   c.   Attach forms on AppliTrack and moves applicant pipeline to "50-Recommend for Hire"

- EFFECT / POTENTIAL RISK (INCLUDES, BUT IS NOT NECESSARILY LIMITED TO):

  a. Errors in reference materials create a lack of consistencies throughout a process.

  b. Reliable reference material should be free of errors and inconsistencies.

  c. Inconsistencies may develop, due to outdated reference materials, and potentially due to irregularities between HR, sites, and departments.

- RECOMMENDATIONS:

  o Review and ensure that processes, procedures, and information are consistent and accurate prior to publishing or providing to employees.

  o Develop a list of existing documents and ensure updates are made on a regular and timely bases.

CONCLUSION

The purpose of this audit was to assess and determine the efficiency and effectiveness of HR's processes, procedures, and practices for recruiting, hiring, and retention.

Audit objectives were developed to assist in reviewing the performance of the HR's processes by examining, testing, and verifying relevant data, activities, and practices.

These objectives were accomplished by conducting meetings with HR staff, reviewing information provided by HR, and comparing it with independently collected data.

This audit acknowledges the progress HR has made in implementing some of the recommendations from the external audit company, EXMI. This includes the development of a strategic plan containing four phases to address and integrate the suggested improvements.

The observations listed in this report included new audit findings, in addition to some of the verified findings from the EXMI external audit report. HR's strategic plan for implementing recommendations reflects their commitment and efforts to improve their recruiting, hiring, and retention processes.

Nonetheless, based on the observations and pending implementations of H.R.'s strategic plan, Internal Audit cannot provide the Governing Board with reasonable assurance that H.R. is performing in an efficient and effective manner. Internal Audit reserves the right to re-evaluate the provided opinion after it conducts a follow-up audit on three out of the four implemented phases of H.R.'s strategic plan.

Acknowledgment

The office of internal audit wishes to express its appreciation to the HR department, the Administrator of iVisions, and the Time Clock Coordinator for their assistance during this audit.

Preliminary report No. 003-SY 2023-2024 was provided to the Superintendent and staff, Legal Counsel, HR Chief Human Capital Officer and designees, and the Audit Committee. The final internal audit report is scheduled to be e-mailed to the Governing Board on January 31, 2024.

*Martha Smith*_____1/31/2024
Martha Smith   Date
Internal Auditor

REPORT DISTRIBUTION

GOVERNING BOARD   SUPERINTENDENT AND MANAGEMENT

Natalie Luna Rose, President   Dr. Gabriel Trujillo, Superintendent
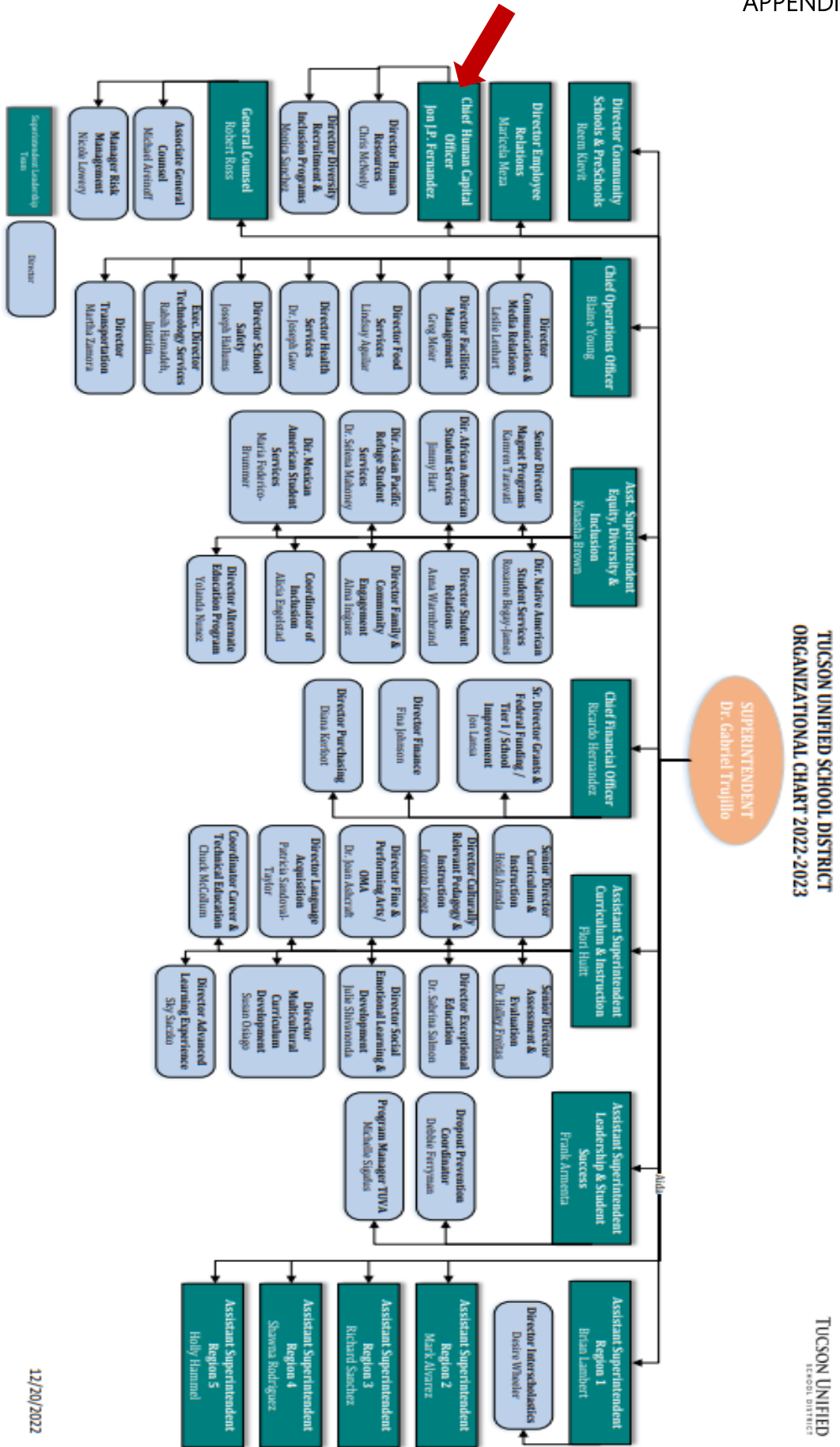Jennifer Ekstrom, Clerk   Robert Ross, Legal Counsel
Dr. Ravi Shah   Jon Fernandez, Chief Human Capital Officer
Val Romero   Diana Reyes, Senior HR Coordinator
Sadie Shaw

AUDIT COMMITTEE
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FIGURE 1 APPENDIX - A

TUCSON UNIFIED SCHOOL DISTRICT ORGANIZATIONAL CHART 2022-2023

FIGURE 2   APPENDIX - A

EXMI Audit Implementation

PHASE 1: Vision, goals, cohesiveness, mindset, process review (June 2023 - December 2023)
Improve cohesiveness of leadership team
Improve internal and external perceptions of department culture
Embrace a continuous improvement mindset
Enhance the department vision and develop overarching goals that are aligned to the district strategic plan and goals
Document a department plan of action that connects and prioritizes work accordingly
Create an internally accessible repository of standard operating procedures (SOP's) and FAQs to ensure consistent answers
Define candidate touchpoints and follow up opportunities throughout the hiring process
Revise hiring process to minimize time to hire
Survey hiring managers/customers to determine communication disconnects
Hire and effectively onboard new HR employees to alleviate excessive staff overtime and reduce time to hire
PHASE 2: Customer service, communication, SOPs, recruitment (January 2024 - April 2024)
Develop customer service standards to provide a positive experience to all candidates and internal stakeholders
Expand existing customer service survey
Revise and document internal communication plans within the HR Department
Refine and consistently message the TUSD employment brand in all communications and contact points for stakeholders and candidates
Create an orientation and onboarding process that provides a comprehensive introduction to TUSD via collaboration with hiring managers/sites
Understand customer expectations and values to build experiences that meet those customers' needs
Create a recruitment plan
Implement strategies to increase applicants
Review internal and external recruitment materials for inclusive language (including job postings, career websites, application, and screeners)
PHASE 3: Training, onboarding, employee engagement (May 2024 - August 2024)
Train internal staff and stakeholders on key processes and functions
Ensure new HR employees receive job-specific training
Design ongoing touchpoints for enhanced employee experience
Provide training to non-HR TUSD staff involved in HR processes
PHASE 4: HR capacity (September 2024 - December 2024)
Evaluate HR positions for capacity
Build partnerships with hiring managers to develop candidate profiles
Evaluate options for moving to electronic employee files
Evaluate recruiter position scope and staffing allocation
Document and share all HR processes within the department

Provided by Human Resources Department
Last Revision: 10-2023

REFERENCES

1. Policy Code A: Foundation and Basic Commitments: "The Districts' mission, in partnership with parents and the grater community, is to assure each pre-K through 12th grade student receives an engaging, rigorous and comprehensive education. The District is committed to inclusion and non-discrimination in all District activities." Reviewed on 1.3.23, Retrieved on 10.15.23, from http://govboard.tusd1.org/Policies-and-Regulations/Policy-Code-A

2. District Operating Guide (DOG) – "The Human Resources Department is responsible for overseeing the entire process from

   recruitment, staffing, training to retirement. The department is led by the Human Resources Executive Director and consists of Benefits, Employment Equal Opportunity (EEO) & Americans with Disabilities Act (ADA) Office, Employment, Recruitment & Retention, Sub Office, and Time & Attendance Office. The goal of the Department is described in Governing Board Policy GA: Personnel Goas/Priority Objectives. DOG, (pg. 5). 7/12/16. Retrieved on 1.13.23 from http://intranet/Documents/DOG.pdf

3. Policy Code-GA: Personnel - "The Board recognizes that dynamic and efficient staff members dedicated to education are necessary to maintain a constantly improving educational program. The Board is interested in its personnel as individuals, and it recognizes its responsibility for promoting the general welfare of the staff members.
   Duties of these staff members shall be outlined and assigned by the Superintendent.
   Additionally, the Board establishes, as personnel service goals, the following:
   Recruiting, selecting, and employing the best-qualified personnel to staff the school system.
   An employee appraisal program (evaluation) that will contribute to the continuous improvement of staff performance.
   Professional development and in-service training programs for employees that will improve their rates of performance and retention.
   Deployment of the available personnel to ensure that they are utilized as effectively as possible within budgetary constraints.
   Human relationships necessary to obtain maximum staff performance and satisfaction.
   A staff compensation program sufficient to attract and retain qualified employees within the fiscal limitations of the District." Retrieved on 1.2.24 from https://govboard.tusd1.org/Policies-and-Regulations/Policy-Code-GA.

4. The TUSD Hiring Manual- Infinite Visions Enterprise Edition (IVEE) is our Enterprise Resource Planning system and Human Resources Information System (HRIS). IVEE is the system of record for people, positions, and pay (as well as budget, finance, warehouse, fixed assets, and purchasing). The HR team has administrator access to personnel functions in IVEE for employee lookup, edits, and staff history items. Please connect with a Staffing Analyst for a tutorial on how to use the platform successfully...
   TalentEd is an Applicant Tracking and Recruiting software designed to optimize the recruiting process." Document provided by Human Resources (HR) department on 11.30.23.

5.   **American Association of School Personnel Administrators (AASPA)** - is a professional organization for school personnel administrators. It was founded in 1946 and represents over 14,000 members who work in public and private schools across the United States. They publish the pHCLE standards.

These pHCLE standards outline competencies that leaders in PK-12 and related organizations need to strategically manage human capital process. They address the managing and developing of the human resources within an educational organization, from teams to individual levels. They are considered fundamentals to the responsibilities for recruiting, hiring, training, and retaining employees, in addition to ensuring compliance with employment laws and regulations. pHCLE, may also be implemented to improve the performance and productivity of the organization's workforce, which can ultimately lead to better student outcomes." Retrieved on: 1.10.24, from: https://www.aaspa.org/.

6.   Professional Human Capital Leaders in Education (pHCLE) - Image of the organizations Strategy, management elements and image of tier connectivity. Retrieved on1.10.24, from: Retrieved on1.10.24, from: https://www.aaspa.org/phcle-20-virtual-cohort.

7.   Uniform System of Financial Records (USFR) – "Introduction – The Uniform System of Financial Records (USFR) has been developed by the Office of the Auditor General and the Arizona Department of Education pursuant to Arizona Revised Statutes (A.R.S.) §15-271. The USFR prescribes the minimum internal control policies and procedures to be used by Arizona school districts for accounting, financial reporting, budgeting, attendance reporting, and various other compliance requirements. These policies and procedures are in conformity with generally accepted practices and federal and state laws.

However, districts may use alternative policies and procedures if they provide the same level of internal control over accounting, financial reporting, and compliance with state and federal laws. The requirements of the USFR are based on the Arizona Constitution; Arizona Revised Statutes; Arizona Attorney General Opinions; the Codification of Governmental Accounting and Financial Reporting Standards, published by the Governmental Accounting Standards Board; Financial Accounting for Local and State School Systems 1990, issued by the United States Department of Education, Office of Educational Research and Improvement; relevant sections of the Code of Federal Regulations; and other federal requirements." Reviewed 10.20.23. Retrieved on: 10.20.23 from USFR, Accounting Procedures, 12/96. I-1. https://www.azauditor.gov/sites/default/files/USFR102323.pdf

8.   Human Resources (HR) - (Image) -Phase 1: Visions, goals, cohesiveness, mindset, process review (June 2023- December 2023). Document provided by Human Resources (HR) department on 12.21.23.

9.   HR (Image) -Phase 1 Implementation Teams and their assigned tasks/activities. Document provided by Human Resources (HR) department on 12.21.23.

10.   HR (Image) -Human Resources Recruiting and Tracking metrices. Document provided by Human Resources (HR) department on 12.21.23.

11.   Experience Management Institute (EXMI) – Domain Talent Development: Actions that foster employee learning and growth- Performance Management: "Maintaining or improving job performance through ongoing supervisor and employee interactions." Reviewed on 1.13.24, from Page 4 of the "Tucson Unified School District Human Resources Department Audit", provided as part of a Request for Information from the Superintendent Office.

12. **Global Technology Audit Guide (GTAG)** – Aussiting Application Controls - "Application controls that pertain to the scope of individual business processes or application systems, including data edits, separation of business functions, balancing of processing totals, transaction logging, and error reporting. Therefore, the objective of application controls is to ensure that:

> ▪ Input data is accurate, complete, authorized, and correct.
>
> ▪ Data is processed as intended in an acceptable time period.
>
> ▪ Data stored is accurate and complete.
>
> ▪ Outputs are accurate and complete.
>
> ▪ A record is maintained to track the process of data from input to storage ad to the eventual output....

Access Controls - ...In most cases, the user and administrative access rights (e.g., read, write, and delete) are built using the inherent security platform and tools within the application. The strategies employed to determine which logical access rights will be assigned to user vary from a need-to know basis to a need -to-withhold basis. Regardless , the access rights should be granted based on the suer's job functions and responsibilities..." Retrieved on 1.12.24, from: https://nextstepac.com/wp-content/uploads/2018/06/GTAG8.pdf.

13. **USFR** -Accounting Procedures – Introduction, ""USFR: Accounting Procedures – Introduction – "An effective accounting system can also help safeguard district assets from fraud, theft, or misuse. Accounting system policies and procedures formally documented and adopted by the governing board should provide separation of responsibilities, adequate internal checks and balances, and sufficient records to support financial transactions." Retrieved on 12.25.23 from USFR, Accounting Procedures, 5/12. VI-A. Reviewed 10.20.23. Retrieved on: 10.20.23 from https://www.azauditor.gov/sites/default/files/USFR102323.pdf

14. **USFR**: Accounting Procedures – Introduction **–** "An effective accounting system can also help safeguard district assets from fraud, theft, or misuse. Accounting system policies and procedures formally documented and adopted by the governing board should provide separation of responsibilities, adequate internal checks and balances, and sufficient records to support financial transactions.

Responsibilities should be assigned to specific departments, if applicable, and adequately separated within departments so that one individual does not have complete authority over an entire financial transaction or process. Districts should also periodically rotate responsibilities among employees when practical and require employees who process financial transactions to take vacation time and have another employee perform their responsibilities. If adequate separation of responsibilities is not possible because of a district's limited staff size, district management should implement review procedures at appropriate points in the process to compensate for employees performing incompatible functions.

The policies, procedures, and recordkeeping methods described throughout the Accounting Procedures section provide an effective accounting system and control environment for districts. Specific controls should be tailored to each district's needs, and alternative procedures may be used if they provide at least the same level of internal control. See §IX, Information

Technology, for information regarding general and application controls for automated systems." Reviewed on 1.10.2024 Retrieved on: 10.20.23 from https://www.azauditor.gov/sites/default/files/USFR102323.pdf

15.   HR Associate Training Guide -The Kermit - (Image).

16.   **USFR:** Information Technology – Internal Controls Application controls are manual or programmed activities intended to ensure the completeness and accuracy of records and the validity of entries made into business computer systems. They are embedded in business process applications and include checks over completeness, accuracy, validity, authorization, and separation of duties.

   1. Completeness checks help ensure all records were processed from initiation to completion (i.e., provide reasonable assurance that all transactions that occurred are input into the system), accepted for processing, processed in accordance with system requirements, and properly included in output. The most commonly encountered controls for completeness include the use of record counts and control totals, computer sequence checking, computer matching of transaction data with data in a master or suspense file, and checking of reports for transaction data.

   2. Accuracy checks provide reasonable assurance that transactions are properly recorded with correct information, data elements are processed correctly by applications, reliable results are achieved, transactions detected with errors are controlled to ensure that they are corrected and reentered in a timely manner, and output is reviewed and control information is reconciled to determine whether errors occurred during processing.

   3. Validity checks help ensure that a program operates on clean, correct, and useful data by checking for correctness, meaningfulness, and security of data that is input into the system. The simplest data validation verifies that the characters provided come from a valid set. For example, telephone numbers should include the digits and possibly the dash, and left and right parentheses. A more sophisticated data validation routine would check to see that the user had entered a valid country code (i.e., that the number of digits entered matched the convention for the country or area specified).

   4. Authorization checks help ensure that only approved users have access to the application system and that data is properly authorized before it is entered or accepted into the system.

   5. Separation of duties helps ensure that checks are in place to prevent fraud and errors by separating the tasks and associated privileges for a specific business process among multiple users. These controls include policies, procedures, and an organizational structure established so that one individual cannot control key aspects of computer-related operations and thereby conduct unauthorized actions or gain unauthorized access to assets or records." Reviewed on 1.15.24. Retrieved on, 10.20.23 from 1.15.24 USFR. Accounting Procedures, Property Control. (12/11). IX-6. https://www.azauditor.gov/sites/default/files/USFR102323.pdf

17.   **Policy-Code-GBJ**: Personnel Records and Files, Section G: Personnel: Official Personnel File "The District will maintain a complete and current official personnel file for each District employee in the Human Resources Office of the District. Employees may obtain one copy of they're personnel file at no cost. Former employees may obtain a copy of they're personnel file for a reasonable fee as set forth in Policy Regulation GBJ-R." Retrieved on 1.12.24, from: https://govboard.tusd1.org/Policies-and-Regulations/Policy-Code-GBJ.

18. **Regulation Code: GBJ-R**: Personnel Records and Files Regulation, Section G: Personnel: Official Personnel File, "Retention of Official Personnel File: The District will retain the official personnel file for five years after the employee's separation from the District." Retrieved on 1.12.24, from: https://govboard.tusd1.org/Policies-and-Regulations/Regulation-Code-GBJ

19. ARIZONA STATE LIBRARY, ACHIEVES AND PUBLIC RECORDS, SCHEDULE NUMBER: (GS-1006) – ALL STATE AND LOCAL AGENCIES HUMAN RESOURCES/PERSONNEL RECORDS:

Record Series Number: 20704

Record Series Number	Record Series Title	Retention Period	Retention Remark
20704	**Employee Personnel Records, Official copy** For full-time, part-time, seasonal, interns, volunteer, appointed, or elected positions. Including applications, resumes, performance reviews, disciplinary records, records documenting employee pay decisions, loyalty oaths and oaths of office, conflict of interest and personal interest disclosure records, confidentiality agreements, policy acknowledgements, exit interviews, drivers' qualifications, training, and pre-employment background check records.	5 Years	After employee terminated or term of office ended. Employee Medical Records may not be filed in the Employee Personnel File.

20. ARIZONA STATE LIBRARY, ACHIEVES AND PUBLIC RECORDS, SCHEDULE NUMBER: (GS-1006) – ALL STATE AND LOCAL AGENCIES HUMAN RESOURCES/PERSONNEL RECORDS

Record Series Number: 20706

Record Series Number	Record Series Title	Retention Period	Retention Remark
20706	**Employee Personnel Records, Contract Employees** For contract positions, including applications, resumes, performance reviews, disciplinary records, records documenting employee pay decisions, loyalty oaths and oaths of office, conflict of interest and personal interest disclosure records, confidentiality agreements, policy acknowledgements, exit interviews, drivers' qualifications, training, and pre-employment background check records.	6 Years	After contract expired, cancelled or revoked. Employee Medical Records may not be filed in the Contract Employee Personnel File.

Retrieved on 12.18.23, from: https://azlibrary.gov/sites/default/files/all_general_schedules_searchable.pdf.

21. **Arizona Revised Statutes (A.R.S.)** – 41-151.14 -State and local public records management; violation; classification-

    A: The head of each state and local agency shall:

    1. Establish and maintain an active, continuing program for the economical and efficient management of the public records of the agency.

    2. Make and maintain records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures and essential transactions of the agency designed to furnish information to protect the rights of this state and of persons directly affected by the agency's activities...

    C: A head of a state or local agency who violates this section is guilty of a class 2 misdemeanor." Retrieved on 12.18.23 from: Arizona State Legislature, https://www.azleg.gov/viewdocument/?docName=https://www.azleg.gov/ars/41/00151-14.htm.

22. **Arizona State Legislature**: 41-1482. Recordkeeping; preservation of records; reports to division; furnishing information to other governmental agencies; information confidential; classification: "A. Every employer, employment agency and labor organization subject to article 4 of this chapter shall make and keep such records relevant to the determination of whether unlawful employment practices have been or are being committed, preserve such records for such periods and make such reports therefrom as the division shall prescribe by regulation or order, after public hearing, as reasonable, necessary or appropriate for the enforcement of this article and article 4. Compliance with reporting and recordkeeping regulations issued by the United States equal employment opportunity commission shall be compliance with this subsection." Retrieved on 12.18.23 from: Arizona State Legislature https://www.azleg.gov/viewdocument/?docName=https://www.azleg.gov/ars/41/01482.htm.

23. HR – "The TUSD Recruiting Process" in the "TUSD HR Systems and Recruitment Tools, states "TalentEd hosts both highly sensitive and protected candidate information. As a member of the Human Resources team, you are responsible for treating that information with the utmost discretion and confidentiality, understanding that access to this tool should be limited to essential stakeholders." Document provided to IA by HR on 11.30.23

24. DOG - "Hiring Process for TUSD Direct Hire" (image).

DOG, (pg. 58). 7/12/16. Retrieved on 1.13.23 from http://intranet/Documents/DOG.pdf

25. **DOG** -(Image), "Step-by-Step Instructions" 7b., states " Site Recommends Applicant for Hire in AppliTrack...b. Complete reference checks & complete ApliTrack forms."

DOG, (pg. 60). 7/12/16. Retrieved on 1.13.23 from http://intranet/Documents/DOG.pdf

GLOSSARY

Accounting – "Manages the District-wide budget development, monitoring and reporting." DOG -Assets – Pg. 1. https://tusd1.sharepoint.com/sites/EmployeeNetwork/Shared%20Documents/DOG.pdf

American Institute of Certified Public Accountants: "Is the national professional organization of Certified Public Accountants in the United States, with more than 418,000 members in 143 countries in business and industry, public practice, government, education, student affiliates and international associates." https://www.aicpa.org/

Assets: "Things you own. These can be cash or something you can convert into cash such as property, vehicles, equipment and inventory." https://business.gov.au/finance/financial-tools-and-templates/key-financial-terms

Assurance Services – "An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Examples may include financial, performance, compliance, system security, and due diligence engagements." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Audit Committee – "A committee of the board charged with recommending to the board the approval of auditors and financial reports." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Audit Observations – "Any identified and validated gap between the current and desired state arising from an assurance engagement." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Audit Sampling – "The application of an audit procedure to less than 100 percent of the items in a population for the purpose of drawing an inference about the entire population." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Best Practice - "A procedure that has been shown by research and experience to produce optimal results and that is established or proposed as a standard suitable for widespread adoption." Defined by Merriam Webster

Criteria - "The standards, measures, or expectations used in making an evaluation and/or verification of an observation (what should exist)." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Compliance – "Adherence to policies, plans, procedures, laws, regulations, contracts, or other requirements." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Condition – "The factual evidence that the internal auditor found in the course of the examination (what does exist)." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Contract - Defined by Arizona state legislature: "means all types of state agreements, regardless of what they may be called, for the procurement of materials, services, construction, construction services or the disposal of materials." https://www.azleg.gov/viewdocument/?docName=https://www.azleg.gov/ars/41/02503.htm

Control – "Any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goal will be achieved." https://www.theiia.org/

Cost Benefit Analysis –" It is a process used to make decisions. It takes into account both quantitative and qualitative factors for analysis of the value for money for a particular project or investment opportunity. Benefits to costs ratio and other indicators are used to conduct such analyses. The objective is to ascertain the soundness of any investment opportunity and provide

a basis for making comparisons with other such proposals." https://economictimes.indiatimes.com/definition/cost-benefit-analysis

Due Diligence – "Due diligence is the process of obtaining and reviewing documentation to verify that the procuring entity procured contracts pursuant to the School District Procurement Rules and determining that the contract price and terms are favorable to the district to receive the best value for the good or service desired.

Whether administering or purchasing from a cooperative purchasing agreement, districts are responsible for ensuring that procurements are done in accordance with School District Procurement Rules." Defined by HG Legal Resources https://www.hg.org/legal-articles/what-is-the-relevance-of-industry-standards-under-the-law-36794

Effect - "The risk or exposure the organization and/or others encounter because the condition is not consistent with the criteria (the consequence of the difference)." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

General Accepted Auditing Standards (GAAS): "Are sets of standards against which the quality of audits are performed and may be judged. Several organizations have developed such sets of principles, which vary by territory." https://www.aicpa.org/Research/Standards/AuditAttest/DownloadableDocuments/AU-00150.pdf

Generally Accepted Government Auditing Standards (GAGAS): "Also known as the Yellow Book, are the guidelines for audits created by the Comptroller General and the audit agency of the United States Congress, the Government Accountability Office." https://www.gao.gov/yellowbook/overview

Governance – "The combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Independence – "The freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Industry Standard – "Is the average by which those in a particular field govern themselves. It is the ordinary manner of doing things in that field and can serve to establish different things in various legal settings." Defined by HG Legal Resources https://www.hg.org/legal-articles/what-is-the-relevance-of-industry-standards-under-the-law-36794

Infinite Visions - (iVisions): "Infinite Visions is TUSD's ERP system. Infinite Visions is comprised of integrated financial, human resources, payroll, purchasing, warehouse, and fixed asset applications. Key functionality includes position control and inventory, Personnel Action Requests (PARs), contract management, insurance tracking, tracking of employee demographics and certifications and more. iVisions web portal helps everyone in the district work and communicate more efficiently through convenient employee self-services and comprehensive school site functionality. With 24/7 anytime, anywhere access, district employees can view their personal data such as vacation and sick-leave balances, payroll history, and insurance and benefit plan details." https://www.tylertech.com

Internal Auditing – "IIA's definition "Internal auditing is an independent, objective, assurance and consulting activity designed to add value and improve an organization's operations. At its simplest, internal audit involves identifying the risks that could keep an organization from achieving its goals, making sure the organization's leaders know about these risks, and proactively recommending improvements to help reduce the risks." Additionally, "Internal auditors are explorers, analysts,

problem-solvers, reporters, and trusted advisors. They bring objectivity and a variety of skills and expertise to the organization." https://global.theiia.org/about/about-internal-auditing/pages/about-internal-auditing.aspx

Internal Control – "A plan of organization under which employees' duties are arranged, and records and procedures are designed, to make it possible to exercise effective control over processes. Internal control procedures which call for proper authorizations by designated officials for all actions performed that must be specified and followed." https://global.theiia.org

Management Controls – "Actions carried out by management to assure the accomplishment of their objectives, including the setting up of oversight for an objective and the alignment of people, processes, and technology to accomplish that objective."
https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Objectives – "What an entity desires to achieve. When referring to what an organization wants to achieve, these are called business objectives, and may be classified as strategic, operations, reporting, and compliance. When referring to what an audit wants to achieve, these are called audit objectives or engagement objectives." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Observation – "A finding, determination, or judgment derived from the internal auditor's test results from an assurance or consulting engagement."
https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Organizational Chart – "Organizational charts are the presentation of reporting relationships and employee roles in an enterprise. A well-structured organizational structure would help improve productivity, but a poor organizational structure can weak the organization."
https://www.orgcharting.com/poor-organizational-structure/

Overall Opinion - The rating, conclusion, and/or other description of results provided by the chief audit executive addressing, at a broad level, governance, risk management, and/or control processes of the organization. An overall opinion is the professional judgment of the chief audit executive based on the results of a number of individual engagements and other activities for a specific time interval." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Purchase requisitions –"A document used by a department to request the purchase of supplies, merchandize, etc."

The Institute of Internal Auditors (IIA) – "Is an international professional association; it is a worldwide leader, authority, and principal educator for internal auditing professionals."
https://global.theiia.org

Reasonable Assurance – "A level of assurance that is supported by generally accepted auditing procedures and judgments. Reasonable assurance can apply to judgments surrounding the effectiveness of internal controls, the mitigation of risks, the achievement of objectives, or other engagement-related conclusions." https://global.theiia.org

Recommendation - The auditor's call for action to correct or improve operations. A recommendation may suggest approaches to correcting or enhancing performance as a guide for management in achieving desired results. The recommendation answers the question, "What is to be done?" https://global.theiia.org

Residual Risk – "The portion of inherent risk that remains after management executes its risk responses (sometimes referred to as net risk)."

Risk - "The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood." https://global.theiia.org

Risk Appetite – "The level of risk that an organization is willing to accept." https://global.theiia.org

Risk Management – "A process to identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of the organization's objectives." https://global.theiia.org

Risk Mitigation – "An action, or set of actions, taken by management to reduce the impact and/or likelihood of a risk to a lower, more acceptable level."
https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Risk Tolerance – "The acceptable variation relative to performance to the achievement of objectives." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Standard –"A professional pronouncement promulgated by the International Internal Audit Standards Board that delineates the requirements for performing a broad range of internal audit activities, and for evaluating internal audit performance."
https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Statistical Sampling – "A sampling technique that allows the auditor to define with precision how representative the sample will be. After applying the technique and testing the sample, the auditor can state the conclusion in terms of being "%" confident that the error rate in the population is less than or equal to "%."https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

System of Internal Controls – "Comprises the five components of internal control—the control environment, risk assessment, control activities, information and communication, and monitoring—that are in place to manage risks related to the financial reporting, compliance, and operational objectives of an organization. https://global.theiia.org

Tolerance – "The boundaries of acceptable outcomes related to achieving business objectives."

Tone at the Top –"The entity-wide attitude of integrity and control consciousness, as exhibited by the most senior executives of an organization. Also see Control Environment."
https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Top-Down Approach – "To begin at the entity level, with the organization's objectives, and then identify the key processes critical to the success of each of the organization's objectives."
https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Tracing – "Taking information from one document, record, or asset forward to a document or record that was prepared later. For example, if auditors count inventory, they would trace their count forward to the client's inventory records to verify the completeness of the records.
https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Virtualization – "When a physical IT component is partitioned into multiple "virtual" components; for example, when a physical server is logically partitioned into two virtual servers.
https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf

Vouching – "The act of taking information from one document or record backward to an asset, document, or record that was prepared earlier. For example, auditors might vouch information on a computer report to the source documents from which the information was input to the system to verify the validity of the information." https://www.theiia.org/globalassets/documents/certifications/the-iia-official-glossary/official-iia-glossary-english.pdf