



Internal Audit

Employee Background Check Audit

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Table of Contents

Executive Summary..... 3

Background 3

Scope..... 5

Objective..... 5

Methodology..... 5

Audit Observations and Recommendations 6

Conclusion..... 6

Date: October 1, 2024

To: Board of Trustees
Stephanie S. Elizalde, Ed.D., Superintendent

From: Robert Rubel, MBA, CPA, CIA, CISA
Chief Internal Audit Officer

Subject: Employee Background Check Audit

Executive Summary

The Dallas Independent School District (District) Office of Internal Audit (OIA) has completed the Employee Background Check Audit.

The District is required to obtain criminal history record information (CHRI) on active certified educators, non-certified employees, substitute teachers, student teachers, contractor employees, and qualifying volunteers.

The audit focused on the District's processes for conducting employee background checks managed by the Human Capital Management (HCM) department to determine if appropriate based on federal, state, and local policies for the fiscal year 2023-2024.

Overall, the District has controls in place to screen new hire applicants and continuously screen employees to comply with federal, state, and local policy requirements regarding employee background checks. There were no recommendations made in this audit report.

Background

Pre-Employment Screening Process

When a campus or department recommends a candidate for hire, they must first be screened prior to onboarding with the District. HCM's Background department (Background) is responsible for conducting these screenings via different types of background checks. When candidates submit applications for employment through the Talent Management System (TMS), the applications are first reviewed by the hiring campus/department who then make a recommendation for hire to HCM. Once a candidate is recommended and goes through the applicable approval process, the Background department will screen the employee via the Texas Department of Public Safety (DPS) Fingerprint-based Applicant Clearinghouse of Texas (FACT) and the Texas Education Agency (TEA) Do Not Hire Registry.

FACT

FACT is a repository for the DPS and the Federal Bureau of Investigation (FBI) fingerprint-based criminal history results. FACT consolidates criminal history results from three different portals including the Texas Computerized Criminal History, the FBI, and the Sex Offender Registry.

To initiate a background check via FACT, candidates must schedule fingerprinting appointments either in the District's central office or offsite at a designated IdentoGO¹ location. The District maintains three fingerprinting devices onsite at the central office. Two devices are managed by the Background department for new hire applicants and District employees, and the other device is managed by the Procurement Services department to fingerprint applicable vendors. The vendor fingerprinting and background check process was not reviewed as a part of this audit.

After fingerprints are accepted by the FBI, the candidate's criminal history will be available on the FACT portal for authorized District personnel to access. Results are first reviewed by the Background department. If the following criminal history is noted, further review is needed to determine if the candidate is eligible for hire.

- Level 1: Low-level misdemeanor or felony offenses that did not result in a conviction, or low-level misdemeanor convictions that do not include other charges. These offenses will be reviewed by the Background department.
- Level 2: Misdemeanor and felony offenses and/or convictions involving crimes of moral turpitude. These offenses will be reviewed by designees from HCM and General Counsel.
- Level 3: Felony convictions, felony and misdemeanor offenses, and/or convictions involving a minor, crimes that occur wholly or in part on school property, at a school-sponsored activity, or involve school funds. These are reviewed by the Legal Review Committee.

Due to the sensitive nature of criminal history records, DPS has strict requirements organizations must follow to properly safeguard this information. Improper release of these records could result in criminal charges. Currently, there are 17 employees in the District that are granted access to search criminal history records within FACT. All users are required to complete the Criminal Justice Information System (CJIS) training offered by DPS before access is granted. DPS conducts secure site audits every three years to verify CHRI is physically and electronically secured. The District's last audit was in 2023, for which no issues were noted.

Texas Education Agency (TEA) Do Not Hire Registry

In addition to screening via the FACT, new hire applicants are also required to be screened through TEA's Do Not Hire Registry. Texas schools are required to report to TEA when there is evidence that an employee has abused or was involved in an inappropriate relationship with a student or minor. The registry was created to document individuals who are not eligible to work in a Texas public school because of misconduct or previous criminal history. This information is available to the public via a search feature on TEA's website.

District's Do Not Hire List

The District also maintains an internal Do Not Hire List for employees who separate from the District due to a violation of District policy, certain performance issues, or misconduct that makes them ineligible for rehire. TMS automatically identifies applicants that are ineligible for rehire when they submit an application in the system.

¹ IdentoGO centers are fingerprinting locations operated by IDEMIA, a live scan fingerprinting service provider.

Continuous Employee Screening

In addition to pre-employment screenings, active employees must be periodically screened for any criminal charges made while under employment with the District. During the new hire process, the Background department subscribes employees to FACT. The District will receive notifications for subscribed individuals if a new or updated event is recorded in FACT. To ensure all and only active employees are subscribed, the Background department runs an active employee listing against the subscriptions in FACT every three days.

Additionally, the Background department runs an active employee listing against the TEA Do Not Hire Registry every two weeks to verify no new occurrences have been reported to TEA.

Scope

The audit focused on processes from the current fiscal year 2023-2024. Certain other matters, procedures, and transactions outside that period may have been reviewed to understand and verify information during the audit period.

Objective

The objective for the audit was to review the District's processes, procedures, and controls surrounding the employee screening process, specifically employee background checks.

Methodology

The OIA reviewed laws, regulations, and policies, along with the District's procedures related to the employee background check process. The following was performed:

1. To determine if processes are in place to properly screen applicants for criminal history and other disqualifying misconduct prior to hire, auditors performed the following:
 - Obtained and reviewed the Background Department Handbook and the New Hire Audit Standard Operating Procedures to verify processes and controls are in place to ensure required screenings are conducted on applicants prior to hire.
 - Conducted a walkthrough of the hiring process in TMS to evaluate automated system controls are in place, where applicable to the background check process.
 - Conducted a walkthrough of the Oracle Business Intelligence dashboard to review the department's processes and controls for tracking background check timelines.
 - Reviewed the District's processes for evaluating cases where a criminal history was reported.
2. To determine if processes are in place to continuously screen active employees for criminal offenses, auditors conducted walkthroughs with the Background department of their processes to continually verify active employees are subscribed to FACT as well as their process to periodically verify no new investigations or reports have been made to the TEA Registry for individuals actively employed with the District.
3. To determine if controls are in place to properly restrict and secure CHRI, auditors performed the following:

- Verified the Background department's procedures are aligned to DPS requirements.
- Reviewed a listing of District users with access to FACT to verify access was appropriate based on job titles and functions.
- Performed a walkthrough of fingerprinting equipment to ensure that physical access is restricted to only authorized personnel.
- Reviewed the record retention policy along with the Background department procedures to verify processes and controls are in place to ensure CHRI is properly stored and disposed.

Primary criteria used for this audit were:

- 1) Senate Bill 9 Background Checks for Education A Reference Guide, January 2008
- 2) Texas Education CODE Title 2, Section 22.085, School District Employees and Volunteers Criminal History Records, June 2023
- 3) CJIS Security Policy Version 5.9.4, December 2023
- 4) District Board Policy DBAA (Regulation) Pre-employment Reviews, May 2019
- 5) District HCM Background Department Handbook, March 2024

Audit Observations and Recommendations

No observations or recommendations were identified for this audit.

Conclusion

Conducting employee background checks is an important aspect in the hiring process to ensure that the District hires eligible individuals and promotes a safe environment for students and staff.

Overall, HCM has implemented processes and controls to ensure employees are screened for criminal history prior to and during employment with the District.

We would like to thank HCM for their cooperation and assistance with this audit.

The audit was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Those standards require the OIA to plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our observations and conclusions based on our audit objectives. The OIA believes the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

Respectfully submitted,

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