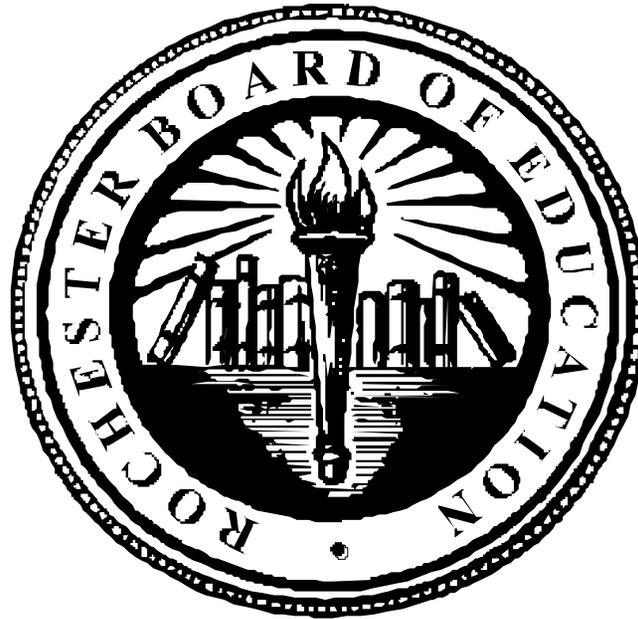


OFFICE OF AUDITOR GENERAL



HCI Administration
FOLLOW UP

October 2014



Office of Auditor General HCI Administration - Follow Up

OBJECTIVE

To evaluate the policies, processes, control environment and compliance within the Human Capital Initiatives administration functions.

BACKGROUND

Human Capital Initiatives (HCI) is responsible for the development and implementation of workforce strategies that align with business needs, address critical talent issues, drive higher performance and ensure an investment in people to meet the District's priorities. A major priority of HCI is to acquire, develop and retain high-performing and high-potential talent. Responsibilities within HCI include recruitment, hiring, performance management, position management, substitute management, discipline and termination.

The District currently has over 7,000 employees. Most employees are represented by several unions through bargaining unit agreements. There is also a small group of managerial employees that are not represented. Human Capital Initiatives supports all District employees. Within the past five years, HCI has had four Chiefs, as well as high turnover in clerical staff.

SCOPE

We evaluated the effectiveness of Board Policies, Superintendent Regulations, and operating protocols and procedures impacting HCI Administration. Our audit evaluated Recruitment and Hiring Processes, Employee files and related documentation, Compensation and Pay Rate Changes, Out-of-Title Assignments, Position Management Processes, and the Termination Process. The test period reviewed for testing was from July 2013 to June 2014.

CONCLUSION

The Human Capital Initiatives department has undergone high turnover in leadership and staff over the last few years. Despite this change in personnel, HCI has been trying to improve the structure and processes within the department, but there are necessary improvements that must be made to ensure the District's business needs are being met while following sound business practices.



Office of Auditor General HCI Administration - Follow Up

CONCLUSION CONTINUED

In order to effectively operate, it is imperative that HCI develop comprehensive policies and procedures for all HCI functions which should be documented, communicated and monitored. Overall, all HCI functions need tighter controls to ensure timeliness, completeness and accuracy. The District should implement more stringent recruitment and hiring standards and procedures, as well as, develop a District-wide annual evaluation process to ensure the District is employing and maintaining high performance employees. Formalized criteria for salary determination should be developed to ensure equitable and fair treatment amongst employees. The lack of a formal termination process is hindering HCI's ability to process terminations expeditiously and ensure payment and benefits cease and assets are appropriately recovered.

The use of the PeopleSoft system lacks timeliness, consistency and appropriate monitoring to ensure employee data is accurate and current. Timeframes, standards and review procedures should be developed to ensure accuracy of HCI data in PeopleSoft. Position management needs to be monitored more closely and the Board of Education should have visibility of open and filled positions within the District compared to the approved budget.