Human Resources Follow-up Audit

for the Fort Bend Independent School District

PREPARED AND SUBMITTED BY:

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Introduction

Executive Summary

This internal audit report provides an assessment of Fort Bend Independent School District's (Fort Bend ISD/the District) progress in implementing the recommendations from the 2016 *Human Resources (HR) Audit*. The Fort Bend ISD Board Audit Committee approved this follow-up audit as part of Gibson Consulting Group's (Gibson) fiscal year 2018 audit plan.

Table 1 provides a summary of the 23 recommendations made in the initial audit report along with Gibson's assessment of the implementation status for each as of January 2018. Each recommendation was determined to be either Complete, Substantially Complete, Partially Complete, or Not Complete. Of the 23 recommendations, 8 were determined to be Complete, 4 are Substantially Complete, 8 are Partially Complete, and 1 is Not Complete. Management did not agree with recommendations 1 and 10 and therefore were not assessed as part of this follow-up audit and marked as such.

The Human Resources Department (the Department) made significant progress in position management and retiree tracking, which were identified as high priorities in the initial audit. However, as evidenced in Table 1 and Figure 1, implementation has not been completed for the majority of recommendations.

Table 1. Summary of Follow-up Audit Results

Priority	Recommendation	Management's Evaluated Status	Gibson's Evaluated Status
High	**Recommendation 1:** Clarify Human Resources (HR) department titles so that they generally reflect their individual functions.	Not Assessed	Not Assessed
Medium	**Recommendation 2:** Add more specificity to the HR strategic plan by establishing priorities for completing projects for the most immediate needs with detailed steps in action plans that establish lead person(s) responsible, deadlines, and completion dates.	Complete	Complete
Medium	**Recommendation 3:** Implement performance measures and establish performance targets for HR.	Partially Complete	Partially Complete
Low	**Recommendation 4:** Update Board Policies DIA (LOCAL) Freedom from Discrimination, Harassment, and Retaliation and FB (LOCAL) Equal Education Opportunity to list the names and other requirements of the two coordinators who have been designated.	Complete	Complete

Priority	Recommendation	Management's Evaluated Status	Gibson's Evaluated Status
Medium	**Recommendation 5:** Post Equal Employment Opportunity (EEO) and Americans with Disabilities Act (ADA) posters in conspicuous work locations within both the Fort Bend ISD administration building and the HR Division in accordance with federal EEO and ADA laws and board policies. Place EEO and ADA statements on each opening page of the District's website.	Complete	Complete
High	**Recommendation 6:** Secure immediately and protect the confidentiality of personnel folders and files in the files room.	Partially Complete	Partially Complete
High	**Recommendation 7:** Implement tracking procedures for the hours worked by retired employees.	Substantially Complete	Substantially Complete
High	**Recommendation 8:** Review system records to ensure retired employees are properly classified.	Complete	Complete
Medium	**Recommendation 9:** Set a goal and develop strategies to attract and retain more ethnic minority employees, especially among teachers.	Complete	Complete
High	**Recommendation 10:** Re-evaluate participation in out-of-town teacher recruiting trips and increase efforts within both the Fort Bend ISD and the Greater Houston areas.	Not Assessed	Not Assessed
Medium	**Recommendation 11:** Review and revise job descriptions to ensure they accurately reflect the expected work or job tasks of each employee.	Partially Complete	Partially Complete
Low	**Recommendation 12:** Institute individual employee goal setting conferences as part of the annual employee evaluation process for all employee groups.	Substantially Complete	Substantially Complete
High	**Recommendation 13:** Contract with an external professional firm to conduct an employee dependent eligibility audit of the Fort Bend ISD medical benefits plans.	Complete	Complete
Medium	**Recommendation 14:** Rely fully on the Human Capital Management (HCM) modules dedicated to Position Management (PM) or position control that are already accessible to end manual, duplicative spread-sheet systems.	Substantially Complete	Substantially Complete
High	**Recommendation 15:** Establish enforceable procedures that will ensure that vacancies are reported to HR.	Complete	Complete
Medium	**Recommendation 16:** Finalize and implement planned improvements to the PM system.	Substantially Complete	Substantially Complete
Medium	**Recommendation 17:** Implement strategies and incentives that are effective in reducing absences among teachers.	Partially Complete	Partially Complete

Priority	Recommendation	Management's Evaluated Status	Gibson's Evaluated Status
High	**Recommendation 18:** Develop a plan to remove the reliance on all paper documents.	Partially Complete	Partially Complete
Medium	**Recommendation 19:** Research ways to automate and integrate both applicant tracking and performance evaluation systems, starting with available Oracle and/or PeopleSoft modules.	Complete	Complete
High	**Recommendation 20:** Assign to Payroll the data entry responsibilities of actual pay after HR has completed initial salary assignment and other adjustments in pay.	Not Complete	Not Complete
Medium	**Recommendation 21:** Implement more robust monitoring of appraisal compliance.	Partially Complete	Partially Complete
Low	**Recommendation 22:** Review employee's access to PeopleSoft for appropriateness.	Partially Complete	Partially Complete
Low	**Recommendation 23:** Review applications retained within WinOcular and remove out-of-date applications.	Partially Complete	Partially Complete

Figure 1 shows the percentage completion, by status category, of all recommendations assessed in his follow-up audit.

Figure 1. Audit Team Completion Status Assessment
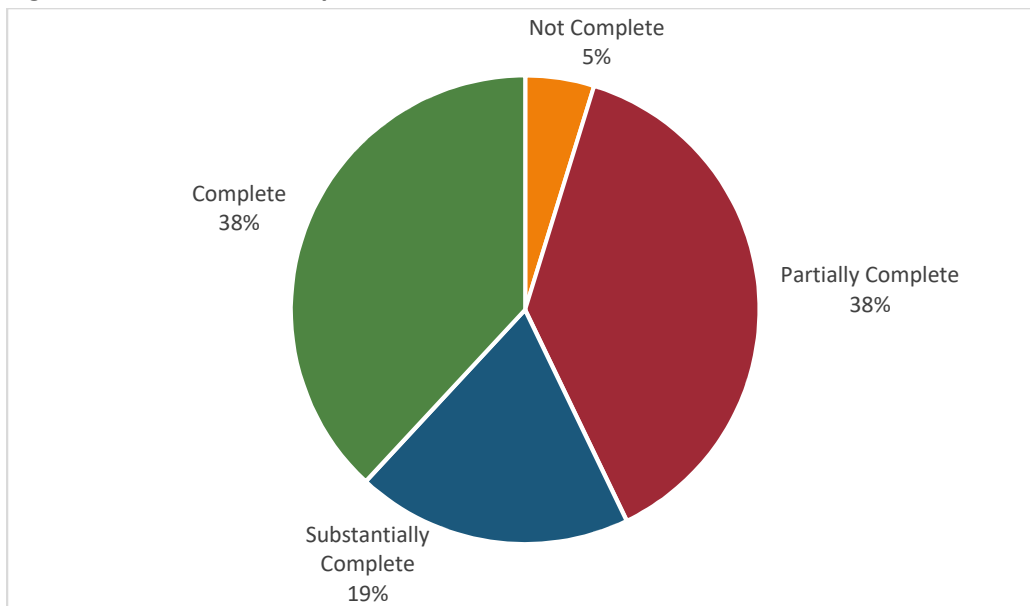
Source: Gibson Consulting Group, April 2018

Audit Approach

To perform the follow up audit, Gibson triangulated data from a variety of sources, including extant data analysis, interviews, and audit testing. Fort Bend ISD leadership maintain an Implementation Dashboard to track and report progress on the 23 recommendations from the 2016 *Human Resources Audit.* This

dashboard was used to provide the District's perspective regarding the status of each recommendation and gave insight for interview scheduling and testing approaches.

Gibson conducted an onsite site visit to the District on February 27-28, 2018 to interview staff responsible for implementing the initial audit recommendations (see complete list of interviewees in Appendix A). The selection of interviewees was driven by the aforementioned Implementation Dashboard and the interview roster from the previous audit conducted in 2016. Management provided responses to each recommendation made in the 2016 audit. Interviewees were questioned on those management responses and the implementation status quoted in the Dashboard to understand what work and steps have been performed to ameliorate the identified issues.

The audit team focused testing efforts on areas where exceptions occurred in the previous audit and to corroborate leadership's recommendation implementation status. Table 2 provides a summary of the tests performed and the corresponding sample size tested.

Through data analysis, interviews, and audit testing, the audit team made every effort to verify actions taken by the Department to address each of the audit recommendations.

Table 2. Summary of Testing Approach

Test Number	Sample Size	Test Overview
Test 1: Employee Appraisals	10	A sample of employee appraisals was obtained to determine compliance with Board policy, specifically the existence of goal-setting steps and mid-year performance evaluations.
Test 2: Retired Employees	10	A listing of retired employees was obtained and analyzed to ensure Teacher Retirement System (TRS) regulations pertaining to retired employees were complied with.
Test 3: Access Levels	N/A	A listing of employees with key card access to the personnel file room, and a listing of employees with access to *PeopleSoft*, were obtained to determine the appropriateness of these access levels.
Test 4: *WinOcular* Applicants	N/A	A listing of applicants in the *WinOcular* system was obtained to quantify the number of out-of-date applications that have not been removed from the system.

The remainder of this report includes the following:

- A summary of each recommendation contained in the 2016 *Human Resources Audit* report (and corresponding page number)

- Fort Bend ISD management's response to each recommendation (included in the 2016 audit report)

- The most recently reported status for each recommendation provided by Fort Bend ISD

- Gibson's follow-up audit verification and assessment for reach recommendation

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This report does not reiterate the commendations and background information documented in the original report, as the purpose of this follow-up audit report is to provide implementation status updates for Gibson's initial recommendations.

Follow-Up Audit Detailed Results

Overall Human Resources Organization and Management

Recommendation 1: Clarify HR department titles so that they generally reflect their individual functions (page 18).

Clarification of HR department titles would ensure that department customers fully understand each employee's role to alleviate any confusion when contacting the Department. For example, Employee Relations is referred to as Talent Experience and Salary and Compensation is referred to as Total Rewards.

2016 Fort Bend ISD Management Response: *Management disagrees with this recommendation. The department names used are not unique to Fort Bend ISD and have been chosen intentionally to establish the desired culture within the district and department. We also believe the titles adequately convey the function of each department. The titles used for the various HR Departments are commonly used in non-public entities and have become more frequently used in public entities.*

It is agreed that some employees may not know "who" to call for service; however, there is substantial evidence that many employees know how to get answers. One example is the use of the Talent Connection portal through which 1,605 communications were received (74% current employees) since opening it February of 2015. Within Talent Connection, customers may rate their experience. During this timeframe, the feedback score was 8.7 out of 10.

Additionally, the Human Resources website provides information regarding the various support and services provided by the HR Department in a way that is clear to those needing to contact the Department.

Original Implementation Decision: No Implementation

Fort Bend ISD Management's Status Assessment: N/A

Audit Team's Follow-Up Assessment: Not Assessed

Recommendation 2: Add more specificity to the HR strategic plan by establishing priorities for completing projects for the most immediate needs with detailed steps in action plans that establish lead person(s) responsible, deadlines, and completion dates (page 19).

It was recommended that the Department add detailed action plans and accountability systems to their long-term strategic plan. Adding more specificity by adding project completion dates and detailed steps on how to implement are keys to ensuring plans are carried out and results occur.

2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. The People Strategy and HR Plan was written to reflect the high-level efforts of the HR department and to demonstrate alignment with the District's Core Beliefs and Commitments, Mission, Vision, Leadership Competencies, Goals and Priorities. The individual actions required to accomplish this plan are outlined in individual and*

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departmental goals with specific personnel responsible for completing each action/goal. The detailed action plans, timelines and accountability systems are currently under development in conjunction with development of the overall Fort Bend ISD District Strategic Plan that is coordinated by the Fort Bend ISD Chief of Staff.

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Complete

Audit Team's Follow-Up Assessment: Complete

In May 2016, the Department submitted to the Chief of Staff the action plans, timelines, and accountability measures for the detailed HR Strategic Plan.

The Department also provided Gibson the HR People Strategy Update as of January 2017. This serves as an update to the board regarding progress towards the goals outlined in the People Strategy. The update is divided into two areas: Integrated and Scalable Systems and The Fort Bend ISD Experience. The memo outlines the progress of goals within each area. For example, one goal under Integrated and Scalable Systems is to Automate Processes. Within both sections there are steps that have been taken or steps that need to be taken to reach each goal as well as some expected completion dates. The audit team obtained detailed reports that included responsible parties, detailed steps, evidence requirements, and deadlines for each objective and corresponding strategy. The information obtained is sufficiently thorough and clear to allow oversight and measuring of progress towards objectives and goals.

2018 Fort Bend ISD Management Response: *Management concurs with the audit team's implementation assessment.*

Recommendation 3: Implement performance measures and establish performance targets for HR (page 20).

During the 2016 audit, the Department was not tracking any specific performance measures even though the strategic plan includes references to them. Implementing performance measures will improve the efficiency and effectiveness of day-to-day and routine operations and functions. Some of the performance measures recommended are listed below:

- Number of district employees per Full Time Equivalent (FTE) human resource employee
- Average days from position vacancy to recommendation by hiring manager
- New teacher turnover rate
- Teacher absentee days per year, by campus
- Benefits costs as a percentage of total salaries and wages

2016 Fort Bend ISD Management Response: *Management agrees with the recommendation to implement performance measures, but only to the extent that the results of the measures are actionable*

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and will impact decision making with the additional requirement that the production of most measures is automated. Developing such measures is a high priority for management.

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Partially Complete

Audit Team's Follow-Up Assessment: Partially Complete

As of February 2018, the Department had compiled a list of 65 possible performance measures which were in line with departmental goals that were established. Though the Department has begun the process of establishing performance measures, the specific measures have not been selected and data have not been collected. The performance measures that were identified by the Department as possible measures to implement included, but were not limited to:

- Average Days Absent by Job Group (Performance Management)
- Offer Acceptance Rate (Recruiting)
- Voluntary Termination Rate in First Year by Department (Recruiting)
- Cost per Hire (Recruiting)
- Average Cost to Terminate Employees (Performance Management)
- Percentage of Employee Complaints (Employee Satisfaction)
- Hours of Training Per Employee (Training and Development)

The Department plans to use the 2017-18 school year to establish baseline data. The Department should continue narrowing the list of possible performance measures based on set performance targets and goals established. Gibson recognizes the progress made towards implementation of the recommendation. However, effective analysis of performance measures is comprised of many additional tasks including:

1. Determining the data requirements for the proposed measures
2. Assigning responsibility for creating and tracking the measures
3. Agreeing on the frequency and use of the measures
4. Developing potential actions if a measure falls below the expected threshold

Gibson has not seen evidence of the Department's consideration of the aforementioned tasks. As a result, Gibson concludes that implementation of this recommendation is partially complete.

2018 Fort Bend ISD Management Response: *Management concurs that the implementation could be considered partially complete.*

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Compliance with Laws and Regulations

Recommendation 4: Update Board Policies DIA (LOCAL) Freedom from Discrimination, Harassment, and Retaliation and FB (LOCAL) Equal Education Opportunity to list the names and other requirements of the two coordinators who have been designated (page 23).

It was recommended that the Department update the names and other requirements of the two designated ADA/Section 504 and Title IX coordinators within the pertaining board policies to ensure all employees know whom to call with concerns or questions about any issues that may arise. During the audit the names of the individuals listed in both policies differed.

2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. The district is currently engaged in a comprehensive policy review and update. Policy DIA (LOCAL) and FB (LOCAL) will be presented to the board for review at scheduled board meeting(s) in the spring, 2016. TASB policy updates are discussed and reviewed to ensure the district is in compliance with proposed changes.*

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Complete

Audit Team's Follow-Up Assessment: Complete

The engagement team reviewed Board Policy DIA (LOCAL) and FB (LEGAL) in February 2018. The exhibits to both policies were updated to list the titles of the designated employees responsible for Title IX and Title II coordination. Board Policy DIA (LOCAL) lists the Chief Human Resources Officer as the designated district employee to coordinate all Title IX and Title II of the American with Disabilities Act efforts. Board Policy FB (Legal) states the Assistant Superintendent is designated to coordinate all Title IX efforts and the Director of Learning and Support Services is designated to coordinate all Title II of the American with Disabilities Act efforts. The difference in responsible employee is appropriate as Board Policy DIA (LOCAL) is for employees of FBISD, while Board Policy FB (Legal) is for students of FBISD, who would have no purpose for contacting the CHRO. The 2017-18 employee manual lists all designated employees from both Board Policies.

As the Department updated the exhibits to both board policies to include the titles of the Title IX and Title II coordinators, Gibson concludes that this recommendation has been completely implemented.

2018 Fort Bend ISD Management Response: *Management concurs with the audit team's implementation assessment.*

Recommendation 5: Post EEO and ADA posters in conspicuous work locations within both the Fort Bend ISD administration building and the HR Division in accordance with federal EEO and ADA laws and board policies. Place EEO and ADA statements on each opening page of the District's website (page 24).

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Compliance with the federal laws for EEO and ADA requires that conspicuous notices describing the provisions of these laws be posted in employees' access areas. It was further recommended that the Department post these statements on the District website as well.

2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. As an equal opportunity employer, Fort Bend ISD ensures continued compliance with all federal laws regarding workplace poster requirements. The HR department recently purchased updated federal and state postings in both English and Spanish, we distributed EEO and ADA posters to all Fort Bend ISD campus, facilities and administrative locations. Updated posters will be placed in conspicuous locations at each site, where they can be readily observed by employees and applicants, ensuring they understand their rights and responsibilities under Federal employment laws. Additionally, HR will place EEO and ADA statements on the opening page of the District's website by April 2, 2016.*

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Complete

Audit Team's Follow-Up Assessment: Complete

The opening page of the District's website now includes a statement on EEO and ADA as follows:

"*The Fort Bend Independent School District, an Equal Opportunity Educational Provider and Employer, does not discriminate on the basis of race, color, religion, gender, sex, national origin, disability and/or age, military status, genetic information, or any other basis prohibited by law in educational programs or activities that it operates or in employment decisions. Additionally, the District does not discriminate against an employee or applicant who acts to oppose such discrimination or participates in the investigation of a com plaint related to a discriminatory employment practice. Employment decisions will be made on the basis of each applicant's job qualifications, experience, and abilities. Policies DAA, DIA*".

EEO and ADA posters were purchased from the Texas Association of School Boards and distributed to departments and campuses. A list was provided by the Department with 115 locations where posters are now displayed. The audit team verified posters displayed within the Human Resources Department and breakroom at the Central Administration Office. Through group interviews performed by Gibson, principals also verified the existence of posters at the campus level. The posters outline the details of Equal Opportunity Employment and the American Disabilities Act. The poster also provides contact information for the U.S. Department of Labor Employment Standards Administration.

2018 Fort Bend ISD Management Response: *Management concurs with the audit team's implementation assessment.*

Recommendation 6: Secure immediately and protect the confidentiality of personnel folders and files in the files room (page 26).

Paper personnel files should always be kept in file cabinets that are water and fire protected and locked at all times. The file store room should also be kept locked at all times. HR employees should not leave

personnel files in any non-secured location. During the initial audit all personnel files were located on four to five large, open-faced, double-sided, sliding racks with the only security being the entry door to the room.

2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. We are working to develop a plan to digitize records and establishing related procedures to ensure the highest levels of confidentiality and to mitigate risk in this area. In the meantime, management has taken the following steps to mitigate the risk of data security and/or confidentiality concerns:*

- *Employed a full-time Records File Clerk that overseers the file room area to protect the confidentiality and ensure that requested personnel folders and files are manually tracked in the active folder tracking system.*

- *Relocated HR personnel, who spends a considerable amount of time working in personnel folders, to a secure area accessed by a badge reader.*

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Partially Complete

Audit Team's Follow-Up Assessment: Partially Complete

As of February 2018, the Department was still storing all paper personnel files in a room with four to five large, open-faced, double-sided, sliding racks. These racks do not individually lock, nor are they water or fire protected. All HR Records Specialists and the HR Leadership team have keys to the room. To adhere with best practices, Gibson continues to urge the Department to store all paper personnel files in file cabinets that are water-proof, fire-proof, and individually locked at all times, to ensure maximum protection. Files should never be left unsecured or on top of desks unless they are being used. A separate recommendation addresses the need to digitize personnel files.

Access has been restricted to select personnel within HR, which is an appropriate step in implementing our recommendation. However, as personnel files are stored in the same manner as the 2016 audit, Gibson concludes that implementation is only partially complete.

2018 Fort Bend ISD Management Response: *HR is planning a departmental move to the FBISD Annex, which will provide for the recommended secure work and storage area. Pending completion of that move, management concurs this item could be considered partially complete.*

Recommendation 7: Implement tracking procedures for the hours worked by retired employees (page 27).

During audit testing in 2016, instances were identified where retired employees worked more hours than permitted by TRS, and some retired employees were misclassified and hours being reported to TRS were incorrect. At this time, the District was implementing the *Peoplesoft* Web Clock functionality in order to accurately capture hours worked by retired employees.

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2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. The PeopleSoft Web Clock project is scheduled to be completed in August per our project plan and response to this finding in the payroll audit. Until this is completed, the Excel timesheets should continue to be utilized per our existing processes. We are currently monitoring and requesting the Excel timesheets from retirees to be submitted to Payroll by the 4th of each month for the previous month.*

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Substantially Complete

Audit Team's Follow-Up Assessment: Substantially Complete

During the 2016 initial audit, the Department reported estimated monthly working hours for retired employees instead of actual hours worked during the month, due to the difficulties associated with tracking monthly hours when pay periods overlapped months. Since the 2016 audit, major process changes have occurred due to TRS improvements. In September 2017, TRS rolled out the Reporting Entity (RE) portal for districts to use. Each month, a report of hours worked by retired employees is uploaded to the portal, as well as a separate report for non-retired employees. The Payroll Department generates the monthly report by exporting time reports from *Kronos*, which is utilized by the majority of employees. If an employee is not using *Kronos*, Payroll will e-mail the employee and request a manager approved timesheet to support their monthly hours worked. The RE portal sends error upload messages to Payroll if an employee designated as part-time exceeded the allowed monthly hours or if a full-time employee did not have a 12-month cooling off period.[1]

The audit team obtained the February 2018 Employment after Retirement report and picked ten, part-time employees for testing. Gibson obtained the monthly timesheets for each employee, matching the hours worked to the report and validating manager approval. Further, the audit team compared the hours worked for all part-time employees to the maximum allowed hours for February. The results are summarized below:

- The audit team was unable to obtain sufficient evidence to validate the hours worked for one sample. The employee did not e-mail their hours worked for February, and instead phoned the Payroll department. The lack of audit trail and evidence of approval is a test exception.

- One sample's hours per timesheet did not match to the hours submitted to TRS. Further, the hours per the timesheet exceeded the allowable hours for February. However, this was purposefully input by Payroll as the Employment after Retirement report was originally submitted with the correct hours, which exceeded the maximum allowed. However, as the employee is classified as a part time employee, this caused an error. Payroll reached out to TRS for assistance but did not receive a response before the report finalization date. As such, part time hours for the employee were input on the February 2018 report and a correction was made on the March 2018

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[1] According to TRS Employment After Retirement regulations, a retired employee is allowed to work full time hours without losing annuity payments if a 12 full, consecutive-calendar-month break in service after the effective date of retirement occurred.

report, as instructed by TRS. Since the exception was identified by Payroll, this serves as evidence that the control is functioning appropriately.

The process changes and implementation of *Kronos* are concrete steps in sufficiently tracking retired employee hours. However, the District should implement a more stringent timesheet approval policy for individuals not using *Kronos*.

Based on audit test findings and correspondence with the District, Gibson concluded that this recommendation has been substantially implemented.

2018 Fort Bend ISD Management Response: *Management concurs with the audit team's implementation assessment.*

Recommendation 8: Review system records to ensure retired employees are properly classified (page 27).

During the 2016 audit, there were instances where retired employees were not properly classified within *Peoplesoft*. This could result in improper exclusions of employees in reports sent to TRS, resulting in improper annuity payments and subject the Department to reimbursement fees.

2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. During the onboarding registration process we have implemented tools to streamline the retiree tracking process. These tools will ensure correct classification for each new hire retiree. In partnership with the Payroll Department, Human Resources will also implement a weekly auditing process that requires classification reviews for each retiree based on TRS reporting.*

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Complete

Audit Team's Follow-Up Assessment: Complete

According to the District, retiree and non-retiree data are submitted to TRS monthly. Employee class drives which report an employee is reported on. If the class shows "RetiredTRS", the employee will be reported on the retiree file. If the employee mistakenly is classified as "RetiredTRS", the TRS system will notify the Department that an error occurred; TRS does not have a matching retirement record for the employee. Similarly, if a retired employee is not appropriately classified, their data will be submitted on the non-retiree file. The TRS system will then notify the Department of the error; TRS has a matching retirement record for the employee. As all employees are reported under either report, this serves as a full integrity check of retired employee classification.

Further, since the initial audit the Department implemented additional onboarding procedures to ensure retired employees are accurately classified. These onboarding procedures include verification of status through WinOcular, pulling monthly retiree reports, as well as the new TRS system report that includes a New Hire upload retiree indicator field. The Department has not reported any issues with employees being

improperly classified. Gibson is satisfied that the monthly reporting to TRS, coupled with new preventative measures, sufficiently protect against misclassification of retired employees.

2018 Fort Bend ISD Management Response: *Management concurs with the audit team's implementation assessment.*

Recruitment and Onboarding Activities

Recommendation 9: Set a goal and develop strategies to attract and retain more ethnic minority employees, especially among teachers (page 37).

The 2016 audit found that there was a disproportionately low representation of Hispanic and Asian teachers compared to the District's student population. Gibson recommended that the Department set a goal and develop strategies on how to attract and maintain more diverse candidates, specifically teachers.

2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. Recognizing Fort Bend ISD is one of the most culturally diverse school districts in Texas, we strive to attract a talent pool as rich as the students we support. During the 2015-2016 school year, Fort Bend ISD will attend job fairs at colleges/universities in an attempt to recruit Hispanic teachers, including but not limited to:*

- *Texas A&M Kingsville*
- *Texas A&M Corpus Christi*
- *University of Texas - El Paso*
- *Region IV Puerto Rico Virtual Job Fair*

While universities are identified for specifically recruiting Hispanic teachers, Human Resources agrees with the recommendation of strategically recruiting Asian teachers. Universities with significant education majors of Asian descent will be identified and added to the list of colleges to recruit at in the 16-17 school year. Additionally, HR will partner with Alternative Certification for Teachers (ACT) Houston and identify and attend job fairs that are not teacher career fairs in hopes of recruiting ethnic minorities that are not education majors but are interested in teaching.

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Complete

Audit Team's Follow-Up Assessment: Complete

The Department is in the early stages of implementing strategies to attract and maintain more ethnic minority employees. Five initiatives were established in order to achieve this goal including: obtaining and analyzing teacher demographic data, setting campus level employee retention goals, forming an administrator's plan to fill vacancies, participating in leadership summits targeting science, technology, engineering, and math (STEM), and recruiting at high minority university job fairs.

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In 2017, the Department was more strategic about what job fairs to attend, specifically targeting STEM job fairs. The Department reports a large disproportion in the employment of ethnic minorities in STEM positions. According to the District's dashboard, the Department attended the STEM job fairs at the following campuses: Brigham Young University (Utah), Grand Valley State University (Michigan), University of Northern Colorado, University of Houston, and University of San Antonio. Before attending job fairs, the Department obtains information from the university including graduate ethnicity and gender.

The District has also partnered with Shell and Howard University to participate in a STEM Education Leadership Summit. The Summit took place in February 2018 and teachers, as well as district leadership, attended and presented on ways to retain and develop diversity within the STEM field.

The Director of Talent Acquisition and Total Rewards is also planning to meet with all principals before the end of the 2017-18 school year to review the disproportionality of teacher and student demographics at each campus. The data has been gathered at the campus level and compares whether certain demographics are over or underrepresented by teachers.

Table 3 shows the ethnicity percentages of Fort Bend ISD teachers and students. As evidenced in the chart, there have been slight but steady gains each year in closing the Hispanic and Asian gap between teachers and pupils. However, the disparity between representation for White students and Hispanic or Asian students remains large.

Table 3. Comparison of Teacher and Pupil Ethnicity Percentages

Ethnicity	2012-13		2013-14		2014-15		2015-16		2016-17	
	Teachers[1]	Pupils[1]	Teachers[1]	Pupils[1]	Teachers[1]	Pupils[1]	Teachers[1]	Pupils[2]	Teachers[1]	Pupils[2]
African American	26.2%	29.1%	27.2%	29.2%	28.2%	28.7%	28.3%	28.2%	29.3%	27.8%
Hispanic	12.1%	26.5%	12.3%	26.4%	12.8%	26.6%	13.3%	26.5%	14.1%	26.3%
White	54.9%	19.2%	53.7%	18.6%	51.8%	17.9%	50.1%	17.4%	48.9%	17.1%
American Indian	0.2%	0.4%	0.1%	0.4%	0.2%	0.4%	0.2%	0.4%	0.2%	0.4%
Asian	4.3%	22.3%	4.5%	22.9%	4.7%	23.7%	5.2%	24.6%	5.2%	25.5%
Other	2.2%	2.5%	2.2%	2.6%	2.4%	2.7%	2.3%	2.9%	2.4%	3.0%

[1] Fort Bend ISD Employee Database, March, 2018; TEA Texas Academic Performance Report
[2] PEIMS Ethnicity Data, March, 2018

The Department should continue to emphasize the importance of attracting Hispanic and Asian teachers to better match their diverse student population. Recruiting strategies for diverse teachers have proven successful, as evidenced by the decreases in the Hispanic and Asian gaps and by the prevalence of African American teachers. Due to the strategies put in place and the results achieved thus far, the audit team concludes that this recommendation is completely implemented.

2018 Fort Bend ISD Management Response: Subsequent to the audit team follow up meeting in June 2018, Administration and the Board are in agreement that best efforts have been made to address this recommendation and should consider this one complete as there is a underrepresentation of minorities in universities educational programs limiting the Districts ability to fully resolve this recommendation. The

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District will continue to take steps in addressing the need to represent all ethnicities proportionately in the teacher workforce.

Recommendation 10: Re-evaluate participation in out-of-town teacher recruiting trips and increase efforts within both the Fort Bend ISD and the Greater Houston areas (page 39).

The initial audit recommended that the Department focus its recruiting efforts within the district and Greater Houston area, except for recruiting in university job fairs that have a large percentage of Asian and Hispanic teacher candidates. The 2016 audit found that approximately 6 percent (40 out of 611 candidates) of interested candidates from out-of-state job fairs were subsequently hired by the District. The District also held its own job fair which was more successful.

2016 Fort Bend ISD Management Response: *Management disagrees with this recommendation. Fort Bend ISD is one of 55 school districts in the Region IV Educational Service Center (ESC) area. With a growing student enrollment, teacher retirements, and teachers choosing to leave education, all of these districts are competing to find certified, qualified teachers. In an effort to assist in filling these positions, Region IV ESC researched and reported the findings of data obtained from the most recent five years of TEA Standard Reports, Data, and Research (including State Board for Educator Certification (SBEC) certification data) through September 1, 2015. This research led to the report "Teacher Supply and Demand Projection Report for 2016-2017."*

"Teacher Supply and Demand Projection Report for 2016-2017" reported the following information regarding the Region IV area as a whole:

- *Region IV districts will enroll 1, 218, 394 students in 2016-2017.*

- *Region IV area classrooms will need 74, 600 teachers.*

- *Region IV districts will need to fill 12, 647 positions - 15% teacher turnover and approximately 1700 new positions.*

- *Region IV districts will collectively need to recruit an additional 8000 teachers for 2016-2017.*

- *Texas, as a whole, is not producing enough teachers to keep up with student enrollment.*

It is clear the Greater Houston area will not produce enough teachers to fill the positions needed throughout the Region IV area. However, with just over 3500 out-of-state teachers being certified in Texas, districts must recruit at out of state colleges/universities and/or out-of-state job fairs.

Fort Bend ISD strives to recruit the best talent for the students we serve. As suggested by Region IV ESC, we believe that in order to locate top talent, recruitment must include seeking candidates within a national market. Although past efforts to recruit via out-of-state job fairs has have not been highly productive, the HR staff has continued to refine their approach to this strategy due to their belief such efforts are necessary to meet the increasing needs of the district. The HR Department will continue to monitor the results of recruiting efforts to refine their practices and to ensure a more significant return on their investment of time and fiscal resources.

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Original Implementation Decision: No Implementation

Fort Bend ISD Management's Status Assessment: N/A

Audit Team's Follow-Up Assessment: Not Assessed

Employee Discipline and Evaluation

Recommendation 11: Review and revise job descriptions to ensure they accurately reflect the expected work or job tasks of each employee (page 43).

During the initial audit, some job descriptions did not match the duties required of some positions. Many interview and focus group participants stated that they had not recently viewed their job description and a review of this was not included during the annual evaluation process. It is Fort Bend ISD policy that the performance of individuals is based on job-related criteria, therefore requiring all job descriptions to be up to date.

2016 Fort Bend ISD Management Response: *Management agrees with the recommendation that job descriptions must accurately reflect the expected work or job task of each position Work has been ongoing in this areas since, in response to the 2013 Texas Association of School Administrators (TASA) Curriculum Audit, staff has undertaken a comprehensive approach to reviewing and updating all job descriptions. Currently, all positions have defined qualifications, duties, and responsibilities and job descriptions are kept current and located on our pipeline for all employees to access. Our job description tracking record indicates we have updated 129 job descriptions in the past year and a half and updated our pipeline with each revision. In an effort to improve our processes, an online job description management system is being considered.*

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Partially Complete

Audit Team's Follow-Up Assessment: Partially Complete

The Department started to revise all district job descriptions in spring 2017. The revision cycle was broken into 16 phases and the Department is currently in phase 2. It was estimated that the last phase would be completed in the spring 2025. According to the District dashboard update, as of January 2018 the Department had updated approximately 30 percent of all district job descriptions. Currently, the Department has updated job descriptions for certain titles included in the 100 pay-scale level, namely principals, academic coordinators, and program directors. The Department is prioritizing instructional and campus personnel job descriptions and will then update administrative employees. The Department partnered with a consulting firm to help redefine and format the new district job description template. Input was gathered from team members in the current roles of the descriptions that were being updated. The Department plans to gather information from current employees throughout all phases.

Gibson reviewed the Department's updated job descriptions for school principals and school counselors and is satisfied with the new details included. The updated descriptions better align with day-to-day requirements and employee performance measurables. Gibson obtained the Job Description Revision Schedule and is confident that the District has an appropriate action plan in place for reviewing and updating all job descriptions. However, as only select groups have been updated as of this report date, Gibson concludes that implementation is only partially complete.

2018 Fort Bend ISD Management Response: *If the completion metric is based solely on the total number of revised job descriptions, then Management believes this item could be considered partially complete given there have been 152 job descriptions revised out of 452. There has been substantial work effort toward three of the four action steps required to complete this project: 1. Develop a process 2. Automate the process 3. Develop training 4. Implement revision of job description. To date, items 1-3 have been completed.*

Recommendation 12: Institute individual employee goal setting conferences as part of the annual employee evaluation process for all employee groups (page 44).

During the 2016 audit, goal setting and performance planning was not universally applied for all position groups. It is important for employees to understand how their contributions influence the success of the team and establishing performance goals helps with this process. Further, goals provide a valid progress measure for employee performance. During the audit the Department made revisions to the performance appraisals for some positions, but not all. These included a goal setting component.

2016 Fort Bend ISD Management Response*: Management agrees with this recommendation. Fort Bend ISD made revisions to all Non-Campus Administrator Performance Appraisals. The new instrument includes a goal setting component. In addition, all new evaluations that have been created for professional positions as well as non-instructional and instructional paraprofessionals include goal setting.*

The following are some of the evaluation instruments that have been revised to include goal setting:

- *Nurse*
- *Counselor*
- *Social Worker*
- *LSSP*
- *Librarians*
- *Campus Assessment Coordinators*
- *Ropes Manager*
- *Secondary Reading Specialist*
- *Math Specialist*
- *Data Specialists*
- *Drop Out Prevention*
- *Special Education Department Heads*
- *O-Lab Teachers*
- *Safe and Secure School Counselors*
- *CCR Advisors*
- *Campus Compliance Coordinators*

Further, Fort Bend ISD served as a pilot district for the new teacher evaluation system in Texas, The Texas Teacher Evaluation and Support system and the new principal evaluation system, The Texas Principal Evaluation and Support System (TPESS). These evaluation systems include a robust goal setting component.

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Substantially Complete

Audit Team's Follow-Up Assessment: Substantially Complete

In the 2017-18 school year, all Texas school districts implemented the T-TESS appraisal systems for teachers, principals, and assistant principals. District employees not required to use the T-TESS system receive performance appraisals through a district established form. All appraisal results are uploaded into Eduphoria. T-TESS requires that all employees have a beginning, middle, and end-of-year performance appraisal meeting. The first meeting establishes individual employee goals, the mid-year meeting is a check in point on the progress towards those goals, and the end of year is comprised of goal achievement measurement and goal setting for the next school year. Employees not appraised using T-TESS have a similar district driven model; however, in 2017-18 mid-year meetings were not mandatory due to the implementation of T-TESS and the large time commitment it took to train employees.

The audit team randomly selected 10 employees from the District and obtained their corresponding 2016-17 annual evaluations.

Below is a summary of testing results:

- Goal setting and mid-year evaluations were validly excluded for two employees, as they are auxiliary employees or non-instruction campus staff. The District will not require goal setting and mid-year evaluations for these employees until 2018 – 2019.

- One employee did not participate in a goal setting conference or mid-year evaluation. This is a test exception.

- One employee did not participate in a mid-year evaluation. This is a test exception.

The exceptions in the audit testing are the basis for the conclusion that implementation is substantially complete. The Department should continue with the implementation strategy and continue monitoring adherence to the process.

2018 Fort Bend ISD Management Response: *Due to our cost benefit analysis and the span of control for auxiliary employees, Management chooses to modify the initial recommendation to reflect individual employee goal setting conferences as a part of the annual employee evaluation process for all employee groups excluding auxiliary personnel. Using this scope, management believes this item is substantially complete. Of the estimated 8,000 employees expected to complete the goal setting process, 6,000 employees completed the process during the 2016-17 school year.*

Benefits Management

Recommendation 13: Contract with an external professional firm to conduct an employee dependent eligibility audit of the Fort Bend ISD medical benefits plans (page 49).

The 2016 audit found that the district's benefits program had not been subjected to an eligibility audit. Top tier benefit plans, like the ones offered at Fort Bend ISD, require periodic audits to verify the eligibility of plan dependents. In November 2015, 7,009 employees were enrolled in medical insurance plans offered by the District and 4,891 dependents were being claimed. An audit would ensure that payments were not being made to ineligible dependents. At the time of the audit, no benefits eligibility audit was being planned.

2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. The Benefits area is currently working with our medical consultants, MHBT to secure a firm to conduct a dependent eligibility audit. Tentative plan to have audit performed January 2017 due to the high number of changes during Open Enrollment which will occur October 2015.*

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Complete

Audit Team's Follow-Up Assessment: Complete

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Each quarter, a query is generated by the Payroll and Benefits team to identify dependents that are about to turn 26, thus becoming ineligible for benefits. Further, the District began an employee dependent eligibility audit February 01, 2018. This was the first dependent eligibility audit conducted since the initial Gibson HR Audit in 2016. The audit was completed in May 2018 and was performed by Impact Interactive. Gibson obtained a copy of the signed engagement letter and the audit report. The audit team is satisfied that this recommendation has been completely implemented.

2018 Fort Bend ISD Management Response: *Management concurs with the audit team's implementation assessment.*

Position Management

Recommendation 14: Rely fully on the HCM modules dedicated to PM or position control that are already accessible to end manual, duplicative spread-sheet systems (page 51).

During the initial audit, school principals and Talent Operation staff were utilizing individual position spreadsheet files and updating them manually, increasing the likelihood of error. In order to communicate with all staff when positions are moved or no longer budgeted, it was recommended that the Department rely fully on the HCM modules and end duplicative spreadsheet processes.

2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. In partnership with IT, Human Resources will work jointly with HCM Stakeholders to implement position control functionality based on the project priorities that are agreed upon.*

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Substantially Complete

Audit Team's Follow-Up Assessment: Substantially Complete

For day-to-day position management, the Department has implemented the use of electronic change and exit forms through *PeopleSoft*. All position changes must be submitted by campus personnel through the HCM module in *PeopleSoft*. The request is then routed to Human Resources, who then determine if the move is in line with available positions. If the move is valid, Human Resources will grant approval through *PeopleSoft*. If invalid, Human Resources will cancel the change form and notify the campus. Exit forms are discussed further in Recommendation 15.

Human Resources began formal, quarterly training for campus personnel titled "HR 101". This training covers a variety of HR topics, including the expectation for campus personnel to utilize *PeopleSoft* for all position management activities. Training on how to use the system change and exit forms also occurs at this time.

Further, the District has implemented one-to-one position control to mitigate inefficiencies and errors regarding position management. According to the Department, there were approximately 9,000 positions

that needed to be edited, which represented 76 percent[2] of all positions. All positions are expected to be completed by April 2018. The Department estimates there are approximately 500 positions remaining, with all elementary and middle school positions completed.

The implementation of electronic change forms, one-to-one position control, and quarterly training are the appropriate steps by the Department to effectively promote use of the HCM module for position control. Implementation of these strategies should be finalized.

2018 Fort Bend ISD Management Response: *Management concurs with the audit team's implementation assessment.*

Recommendation 15: Establish enforceable procedures that will ensure that vacancies are reported to HR (page 52).

The initial audit identified delays in identifying vacant positions. The Department relied on principals to forward vacancy information or HR staff to follow up with principals on current vacancy counts. These numbers were often inaccurate. Occasionally, principals would purposefully over-report certain vacancies to prevent their senior teachers and instructors from being transferred to schools with a pressing need. The aforementioned issues reduced HR's effectiveness in correctly verifying position availability.

2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. In partnership with IT, Human Resources will work jointly with HCM Stakeholders regarding implementation of position control functionality in PeopleSoft. Moving to a model where there is a 1:1 relationship between positions and employees will be a significant change to the District and will assist in addressing the concerns about knowledge of vacant positions as it applies to Human Resources and Business & Finance areas.*

We are also aware that the accountability at the supervisor level for campuses and departments needs to be enforced regarding reporting exits of employees and open positions as Human Resources does not have a way of capturing this information until the exit or change form is submitted. In order to partially address this concern, Human Resources will also partner with Technology to integrate exit and change real time alerts in the Manager Self-Serve tool. The real time alerts will provide hiring managers with additional assistance, guidance and accountability protocols concerning headcounts and vacancies associated with a change in position.

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Complete

Audit Team's Follow-Up Assessment: Complete

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[2] Calculated by Gibson utilizing a count of positions included in the 2016 – 17 Staffing File provided by Fort Bend ISD.

Since the initial audit the Department implemented electronic change and exit forms through *PeopleSoft*, which are completed at the campus level. When an employee leaves the district or changes positions, these forms are required to be filled out; the change form is completed by the employee's manager, while the exit form is submitted by the individual employee. Once completed, they are instantly available for HR to view. A formal review of the forms by HR Analysts and the Director of Human Resources Systems and Analytics occurs weekly to update vacancy information.

Gibson viewed both electronic forms through *Peoplesoft.* The change form was submitted by the employee's manager and then routed to Human Resources for approval. The sample exit form was submitted by the employee, routed to their manager for approval, and then sent to Human Resources for approval.

As discussed previously, the Department recently implemented quarterly training to inform and remind campus personnel about their responsibilities for utilizing *PeopleSoft*. Gibson is satisfied that the Department has sufficiently implemented procedures to ensure that vacancies are reported to Human Resources.

2018 Fort Bend ISD Management Response: *Management concurs with the audit team's implementation assessment.*

Recommendation 16: Finalize and implement planned improvements to the PM system (page 52).

During the initial audit, Fort Bend was not assigning unique position control numbers (PCNs) to every position in the District. Assigning one position number to multiple staff creates an inaccurate FTE count. In 2016, Talent Operations was developing a plan to assign a unique PCNs for every position (i.e., one to one). This will ensure that position allocations are compatible with FTE counts.

2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. Per Recommendation 14 and 15 Human Resources will partner with IT and HCM Stakeholders to implement position control within PeopleSoft, including setting up 1:1 relationship for each position and employee.*

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Substantially Complete

Audit Team's Follow-Up Assessment: Substantially Complete

As described previously, the Department has implemented one-to-one position control to improve the inefficiencies with position management. According to the Department, there were approximately 9,000 positions that needed to be edited. All positions are expected to be completed by April 2018. The Department estimates they have updated 94 percent of positions, leaving 500 positions that are not under one-to-one position control. The Department prioritized updating elementary and middle school positions, as the two groups account for the majority of staff movements at campuses. All elementary and middle school positions have been updated to one-to-one.

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To verify the implementation status of the one-to-one initiative, Gibson gained access to *PeopleSoft* and queried select positions to determine if only one unique personnel number was allocated to it. The positions chosen for inspections were based on an analysis of the 2016-17 Staffing File provided by the District. Twenty-five samples were selected, with every position that had an occurrence of 15 or higher (19 samples) picked. The remaining six samples were randomly chosen. The audit testing results are as follows:

- Four samples out of 25 were instructional positions at the elementary, middle, or high school level. All had a headcount of one within the HCM module of *PeopleSoft*.

- Fourteen samples were of administrative, non-instructional campus personnel, or technicians. Each position had a headcount of one within the HCM module of *PeopleSoft.*

- Seven samples were not updated to a one-to-one position control. These positions were for substitute teachers, bus drivers, and bus monitors.

The audit test provided evidence that one-to-one implementation is substantially complete. The samples that were not yet updated for one-to-one have high FTE counts and are in process of being updated.

2018 Fort Bend ISD Management Response: *Management concurs with the audit team's implementation assessment.*

Recommendation 17: Implement strategies and incentives that are effective in reducing absences among teachers (page 53).

Gibson found that the cost of teacher absences and subsequently substitutes, has increased per annum over the past 5 years. In 2014, approximately 1 percent of Fort Bend ISD's Operating Costs were for substitute teachers. Aside from financial costs, teacher absenteeism also negatively impacts student achievement. To address this, Gibson recommended that the Department implement strategies and incentives in order to help reduce absences among teachers.

2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. The Human Resources area is currently reviewing sub usage reports in order to introduce effective absence reduction strategies. An absence committee has also been created to review and recommend strategies for absence reduction. The first objective of this committee is to review the school business (SB) category and implement measurable procedures and processes that will reduce the SB day category. Human Resources will also work to implement monthly employee attendance presentations at administrative meetings effective 2016-17 School Year (SY). The monthly employee attendance presentations will include the following:*

- *Year to Year comparison of employee absence variance by campus/location*

- *Total absences based on day of the week*

- *Utilization percentage based on previous school year*

- *Absences for all school codes included School Business Days*

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Partially Complete

Audit Team's Follow-Up Assessment: Partially Complete

Since the initial audit, the Department completed a deeper analysis of teacher absenteeism rates and discovered that many teachers labeled as absent from their classroom were actually completing job or campus duties. For example, a teacher may request a substitute for her classroom while he or she attends a training at the school or a coach may request a substitute if they are attending an after-school sports even that requires leaving school early. The Department also discovered that campuses were not always utilizing the educational assistants or full-time substitutes on their respective campuses. Both of these factors contributed to inconsistencies related to absenteeism rates. The District submitted a Request for Proposal for an absentee tracking software solution, however, it decided to not purchase until further analysis was performed. The District is currently revamping the process of how Educational Assistants are utilized and presented findings and recommendations to the Executive Leadership in March 2018.

Gibson obtained teacher absenteeism rates by campus for the 2015-16 and 2016-17 school years. Four campuses were excluded from the analysis, as they opened during the past three years and were not included in the initial audit. Similarly, attendance in three alternative education programs is excluded. Since the 2015-16 school year, 27 campuses have seen a decrease in teacher absenteeism, and 36 campuses have seen a slight increase in teacher absenteeism. In aggregate, the absenteeism rate remained flat over the two years. The largest decrease was found at Lantern Lane Elementary, which had a teacher absenteeism rate of 13 percent in 2015-16. This rate subsequently dropped to 7 percent in 2016-17, a decrease of approximately 40 percent. The largest increase was found at Lula Belle Goodman Elementary, which had a teacher absenteeism rate of 5 percent in 2015-16. This rate subsequently increased to 9 percent in 2016-17, an increase of approximately 70 percent.

The Department should continue to implement best practices gleaned through benchmarking with comparable districts, such as implementing bonus pay for low teacher absences.

2018 Fort Bend ISD Management Response: *Management concurs with the audit team's implementation assessment.*

Information Technology

Recommendation 18: Develop a plan to remove the reliance on all paper documents (page 57).

In the 2016 audit Gibson recommended that the Department implement an electronic data management, storage, and retrieval process for electronic documents and files. This will reduce the risk that hard copy documents are misplaced or lost. Once the system is in place, the Department should determine which employees need access to which files. A secondary backup system is also recommended.

2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. Fort Bend ISD has engaged the Chief of Staff and Strategic Planning Program Management Office to pursue procurement and implementation of a district-wide document management system. The selected vendor will scan existing documents and apply metadata to provide comprehensive search capabilities. This will drastically reduce the district's generation of and reliance on paper documents.*

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Partially Complete

Audit Team's Follow-Up Assessment: Partially Complete

The Human Resources Department worked in conjunction with the Project Management Office on a districtwide initiative to decrease reliance on paper. The districtwide initiative is expected to take 2.5 years. The District purchased a system last summer, Docuware, in order to scan all paper files. However, the contract extends only until April 2018. The Human Resources Department began scanning files from 2015-16 as well as purging any unnecessary documents within the files. The Department, however, has put a hold on file scanning until further notice. The delay was due to a lack of available personnel, specifically during recruiting season, who could devote time to scan all of the files.

The Human Resources Department, however, has made an effort to only keep required paperwork within the paper personnel file. Gibson viewed a sample of files from 2017-18 school year as well as one from 2015-16 and noted a significant decrease in paper. The Department has also made an effort to automate some forms, including the employee change and employee exit forms. The HR department is continuing to look for ways to decrease reliance on paper, however, the following hard copy documents are still utilized:

Talent Operations:

- Immigration files[3]
- HQ/ESSA reports
- Job descriptions (overlap with Records)
- Timesheets
- ACP Teacher statements of eligibility
- ACP & Out of State Teacher contract addendums
- DoI Teacher contracts[3]
- Screening/Interview docs
- Retire/Rehire form included in onboarding packets

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[3] Indicates that a form is required to be maintained in hard copy

- Salary Deferral Acknowledgement FICA form included in onboarding packets
- Teacher Loan Forgiveness forms
- Emergency Teaching Permit application
- Check request forms[3]

Compensation:

- Position Change Worksheet – Money Change, 1 and 2
- Contract Position Change form – Internal, External and Position Change Update
- Exit Worksheet/Absence Balance Worksheet
- On Boarding Sheets for State Reporting/TASB Mapping
- On Boarding Sheets for Master/PHD Stipend
- On Boarding Sheets for Years of Service
- Stipend Change Form
- Timesheets
- Check Request Form

Records:

- VOE forms I-9 forms
- Employee timesheets
- EAC / H1B forms
- Harris County Dept of Education forms for file retention and destruction

Current paper documents that are found in the personnel file:

- Action sheets that confirm: (years of service, stipends, state days, contract type)
- SBEC certificate
- ACP documents
- Evaluations (support personnel) other professional positions evaluations are now located in Eduphoria
- Job descriptions
- Employment / Administrative Actions (TEA notifications)
- Name change forms w/ copy of SS card for payroll & TRS purposes
- Address change forms

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- Service records

- Transcripts

- Notarized Employment Affidavit (new)

Absence Management and Leaves:

- Various Types of Leave Letters: FML, UPL, TDL

- Notice of Eligibility

- Notice of Approval Notice of Denial Notice of Expiration

- Recertification Letter

- Employee Request for Leave application

- Employee/Family member health certification forms

- DCE-2 Leave Forms

- Non-Discretionary form

- Discretionary form

- Designation notice form

- Notice of Eligibility form

- Serious Injury of Illness of Covered Service Member for Military Family Leave

- Qualifying Exigency for Military Family Leave

- Serious Injury or Illness of a Veteran for Military Caregiver Leave

- Job Descriptions

- CIS Application and forms

- Family Medical Leave Act Rights and Responsibility Form

- Blue Sheets for reversals and issue checks

- Certification of Unused State Sick/Personal Leave

- Onboarding Action Sheets

- Confirmation Activity Sheets

As evidenced in the list above, Human Resources continues to utilize many paper forms. The Department prioritized reducing the paper forms found in the personnel file. However, an action plan is not in place for paper form reduction outside of the personnel file. Human Resources should focus efforts on first developing a plan and prioritizing order of form conversion. Then, improvement efforts will be more concentrated and successful. Further, the Department should consider hiring a temporary employee to

assist with scanning efforts, which would provide a more cost effective way to accomplish the paperless goal.

2018 Fort Bend ISD Management Response: *Management concurs with the audit team's implementation assessment.*

Recommendation 19: Research ways to automate and integrate both applicant tracking and performance evaluation systems, starting with available Oracle and/or PeopleSoft modules (page 57).

At the time of the initial audit, the Applicant Tracking System (ATS) was not integrated with the *Peoplesoft* HCM. The Department's performance evaluation process is not currently automated or integrated with the HCM. The District holds a license to the *Peoplesoft* self-service evaluation management application; however, it was not being utilized.

2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. At this time, Oracle is no longer supporting the Talent Acquisition Module due to their purchase and focus on the Taleo product. Based on this information, fact, Fort Bend ISD has recently terminated their licenses to this module. We are looking at replacing our applicant tracking system, however, this will require a request for proposal (RFP) to be defined and distributed for vendor responses. In partnership with Technology, Human Resources will compile technical assessment questions and information for the request for proposal (RFP) to replace our existing applicant tracking system. IT resources will participate in the RFP review of vendor responses to ensure solution selected will be able to generate data files that allow interfaces to be developed to/from PeopleSoft to automate data flows. This project will require joint collaboration between HR and IT for design and implementation and significant change management and communication planning as it will affect all campuses and departments. As indicated in recommendation 14 Human Resources will work jointly with Technology and HCM Stakeholders to implement position control functionality based on the project priorities that are agreed upon.*

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Complete

Audit Team's Follow-Up Assessment: Complete

The Department is currently using *WinOcular*, though during the 2016 audit there was discussion about replacing the system. The District issued an RFP for a new ATS, however, this was pulled due to the possibility of including a new Enterprise Resource Planning (ERP) system in the upcoming 2018 bond. The decisions to integrate the two systems or purchase a new ATS have been placed on hold until a decision is made regarding a new ERP. As sufficient research was performed regarding the automation and integration of the ATS and evaluation system, Gibson concludes that this recommendation was completely implemented.

2018 Fort Bend ISD Management Response: *Management concurs with the audit team's implementation assessment.*

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Compensation Structure

Recommendation 20: Assign to Payroll the data entry responsibilities of actual pay after HR has completed initial salary assignment and other adjustments in pay (page 61).

Payroll's data entry responsibilities, after initial salary assignments and adjustments are made by HR, are an important aspect of strong segregation of duties. Gibson's audit, however, found that employees in both payroll and HR were inputting data into the payroll system, which is not an appropriate segregation of duties. This includes responsibilities beyond the initial salary assignment which are typically Payroll functions. For example, some HR staff are responsible for all payroll and HR duties relating to substitutes.

2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. Automation efforts are underway and should be complete by June 2017. To the extent duties need to be separated after automation, a portion of the Total Rewards Advisors responsibilities will be transferred to Finance no later than December 2017.*

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Not Complete

Audit Team's Follow-Up Assessment: Not Complete

The Human Resources Department and Benefits and Payroll will be reorganized pending external auditor approval. Currently Benefits and Payroll are under the Business and Finance Department. After the reorganization, this will now fall under Human Resources. The District will not move forward with the reorganization unless appropriate segregation of duties controls is in place. As no change in data entry assignment has occurred, Gibson concludes that the implementation of this recommendation is not complete.

2018 Fort Bend ISD Management Response: *Although the department reorganization has taken place, management agrees that the status could be considered not complete until the actual change of data entry assignment as occurred.*

Human Resources Audit Testing

Recommendation 21: Implement more robust monitoring of appraisal compliance (page 67).

Audit testing in 2016 made it apparent that there is insufficient monitoring of appraisal compliance within the HR Department. Test results showed that many employees were not appraised by their immediate supervisor, there was no documentation that the employee received a copy of their appraisal, many appraisals were not signed by the employee, and many employees had one or more appraisals missing from their file. Therefore, the audit team recommended that the Department implement a more robust monitoring system for appraisals.

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2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. Increased measures should be implemented to ensure compliance with DN-Local, DNA Legal and DN-R.*

Employee evaluations are important tools for Fort Bend ISD to drive employee development opportunities. At the time of the audit, all evaluations were paper based, making compliance with DN policies a challenge. Beginning in 2016, evaluations for our largest employee job group, teachers, will be housed within the Eduphoria software platform. Replacing our paper-based appraisal processes with a web-based performance management system will allow HR to better analyze and monitor evaluation compliance with DN-Local, DNA Legal and DN-R, and will enhance our capability to provide notifications in a timely fashion to evaluators when documentation is not provided in alignment with the district's established timeline for evaluation submissions. Human Resources is exploring the use of other performance management software applications for non-instructional personnel. Performance management software will drive and foster employee engagement and provide both employees and managers the ability to review performance progress regularly, set worthwhile goals and ensure objectives are updated and relevant throughout the year. It is our intention to submit a formal proposal for a performance management system for non-instructional employees by June 2017.

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Partially Complete

Audit Team's Follow-Up Assessment: Partially Complete

In the 2017-18 school year, all Texas school districts implemented the T-TESS appraisal systems for teachers, principals and assistant principals. District employees not required to use the T-TESS system receive performance appraisals through a district established form. All appraisal results are uploaded into Eduphoria. T-TESS requires that all employees have a beginning, mid-year, and end-of-year performance appraisal meeting. The first meeting establishes individual employee goals, the mid-year meeting is a check in point on the progress towards those goals, and the end of year is comprised of goal achievement measurement and goal setting for the next school year. Employees not appraised using T-TESS have a similar district driven model, however, in 2017-18 mid-year meetings were not mandatory due to the implementation of T-TESS and the large time commitment it took to train employees. Human Resources, as well as supervisors, send out calendar invites as reminders for all three steps, however, employees are not responsible for turning anything in until the end of the year. All appraisals must also be signed by the employee.

Gibson randomly selected 10 district employees and requested their performance evaluations from the 2016-17 school year. A summary of testing results is presented below.

- Goal setting and mid-year evaluations were validly excluded for two employees, as they are auxiliary employees or non-instruction campus staff. The District won't require goal setting and mid-year evaluations for these employees until 2018–19.

- One employee did not participate in a goal setting conference or mid-year evaluation. This is a test exception.

- One employee did not participate in a mid-year evaluation. This is a test exception.

- All sampled employees had a year-end appraisal, which was validly approved and signed.

As two of the ten samples were exceptions, it should be noted that sufficient monitoring of compliance is not occurring. However, the progress made with T-TESS and implementation plan for other district employees leads the audit team to conclude that the recommendation implementation is partially complete.

2018 Fort Bend ISD Management Response: *Management concurs this item could be considered partially complete. By July 2018, performance evaluations will be document using an online platform, which will support more robust tracking as recommended.*

Recommendation 22: Review employee's access to PeopleSoft for appropriateness (page 70).

Audit testing conducted in 2016 found that 38 employees had access to edit pay rates and employee paychecks. These employees included HR staff, business information systems staff, executive assistants, and receptionists. None of these employees include Payroll Department staff. Since HR staff enter initial pay rates, they should not also have access to enter individual paychecks. Gibson recommended that the Department review employee access to *Peoplesoft* for appropriateness.

2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. It is acknowledged that role-based security must be a focus to maintain security and integrity of the PeopleSoft system. The Technology area has addressed new security roles for payroll and benefits personnel, as well as removed correct history access from various roles based on payroll audit. Human Resources security role modifications have not been addressed due to changing roles, reorganizations, and other high visibility projects within the HR department. This will require significant work for both IT and HR including: 1) define the roles and what access is required to perform their daily roles; 2) create the new roles within PeopleSoft security; 3) HR to test out the roles to ensure the process is working as designed, and 4) migrating the new roles to PeopleSoft HCM Production environment once approved at the weekly Change Control Board meeting to document the system changes.*

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Partially Complete

Audit Team's Follow-Up Assessment: Partially complete

According to the Department there is ongoing monitoring of Peoplesoft access when employees transfer position or leave the district. However, there is no established schedule for periodically checking access for reasonableness.

Gibson obtained a listing of all employees with edit access to change an employee's paycheck or pay rate amount. Testing results are as follows.

- 38 individuals have the ability to enter initial pay data
    - Each of these individuals can change pay rates and annual salaries
    - 30 of these individuals can edit individual paychecks

Inappropriate access remains for the 30 individuals that can enter initial pay data and edit individual employee checks. Though ongoing monitoring occurs, it is imperative that a thorough review of existing access is performed. The lack of a thorough scan, offset by the increased monitoring of new access granted, drives the audit team's conclusion that the recommendation is partially complete.

2018 Fort Bend ISD management Response: Management concurs that this item could be considered partially complete. Controls regarding access to adding pay have been enacted, while other role-based controls are under review due to the recent integration of the Payroll/Benefits Department into HR.

Recommendation 23: Review applications retained within WinOcular and remove out-of-date applications (page 74).

Gibson recommended deleting outdated applications within the *WinOcular applicant tracking* system. In 2016, the *WinOcular* system contained approximately 80,000 applications and approximately 60 percent were dated (i.e., over two years old). There were also prevalent data entry errors on applications. For example, one application was future dated 2020. The Department should review all applications and delete those no longer needed.

2016 Fort Bend ISD Management Response: *Management agrees with this recommendation. The Human Resources area is working with WinOcular to remove out-of-date applications from the system. The project is scheduled to be completed prior to July 2016.*

Original Implementation Decision: Implementation without Modification

Fort Bend ISD Management's Status Assessment: Partially Complete

Audit Team's Follow-Up Assessment: Partially Complete

According to the Department, the *WinOcular* system was partially purged shortly after the initial audit to delete old, duplicate, and incorrectly dated applications. The Department acknowledged that a purging schedule still needs to be implemented in order to continuously rid the system of unneeded applications. Fort Bend ISD employees noted that the *WinOcular* system continues to cause delays in the hiring process since principals and hiring managers have to sort through large amounts of applications that are outdated. Employees that have been hired by the District are also often times still within the system.

Gibson obtained a listing of all applications currently within the *WinOcular* system. Currently, the system contains approximately 166,000 applications – of which 28 percent (46,500) are over five years old.

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Roughly 29 percent (48,000) of the applications are less than two years old. The Department should consider system configuration changes to automatically delete applications that are expired and exceed an age threshold of two years. If configuration changes are not wanted due to the potential of implementing a new ERP system, the Department should develop a detailed purging schedule to remove stale applications in the interim.

Though progress has been made in purging data, the lack of a purging schedule and action plan leads the audit team to conclude that implementation of the recommendation is partially complete.

2018 Fort Bend ISD Management Response: *Management concurs this item could be considered partially complete. Staff agrees the system needs to be purged on a scheduled, ongoing basis. There is no current automated process to purge applications in WinOcular. Purging outdated applications require manual intervention by running queries daily to determine which applications to inactivate and purge. An HR specialist will be designated to complete this task. The following process will be established to complete this task: 1. Run queries daily and determine applications to inactivate and/or purge. 2. Inactivate the application after application date is one year and one day old. Application will remain HR accessible at this point). 3. Purge the application after the application date is two years old. Application will not be accessible to HR at this point but tracked as Purged. 4. Applicant profiles will be maintained and not purged. Capabilities for a scheduled and automatic purge have been included in the specs for new ATS RFP.*

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Appendix A – List of Interviewees

- Kermit Spears, Chief Human Resources Officer

- Gwyn Touchet, Executive Director of Talent Management

- Yolanda Young, Director of Talent Management and Development

- Rebeca Bangstein, Director of Talent Acquisition and Total Rewards

- Sarah Togle, Director of Human Resources Systems and Analytics

- Glenda Johnson, Director of Talent Experience

- Sonja Curtis, Director of Payroll and Benefits

- Mitzi Patin, Director of Business Information Systems

- Anne Howard, Director, Project Management Office

- Mohini Khurd, Senior Business Analyst

- Group Interview, Principals