

Austin Independent School District Human Capital Internal Audit

Final Report Presentation

GIBSON

AN EDUCATION CONSULTING & RESEARCH GROUP



Agenda

- f* Audit Objectives and Scope
- f* Summary
- f* Findings and Recommendations
- f* Questions



Audit Objectives and Scope

Audit Objectives

- f* To evaluate the compliance, efficiency, and effectiveness of AISD's Human Capital Department.
- f* To identify opportunities for improvement within each area.

Audit Scope

Eight major areas of human resource management were analyzed during this audit:

- 5 Organization and Management
- 5 Compliance with Laws and Regulations
- 5 Recruitment and Onboarding Activities
- 5 Employee Discipline and Evaluation
- 5 Benefits Management
- 5 Position Management
- 5 Information Technology
- 5 Compensation Structure

Executive Summary

f Period of transition for HC Department

5 New leadership; ERP implementation

f Risks to a successful ERP implementation

f KPIs do not support efficiency and effectiveness

f Insufficient controls over absence management, onboarding

f Instances of pay inequities

f Risks posed by current approach to employee investigations

Executive Summary

Eighteen (18) recommendations:

- 5 Eight (8) Organization and Management
- 5 Four (4) Staffing
- 5 Three (3) Compensation and Benefits
- 5 Three (3) Employee Relations



Key Performance Indicators

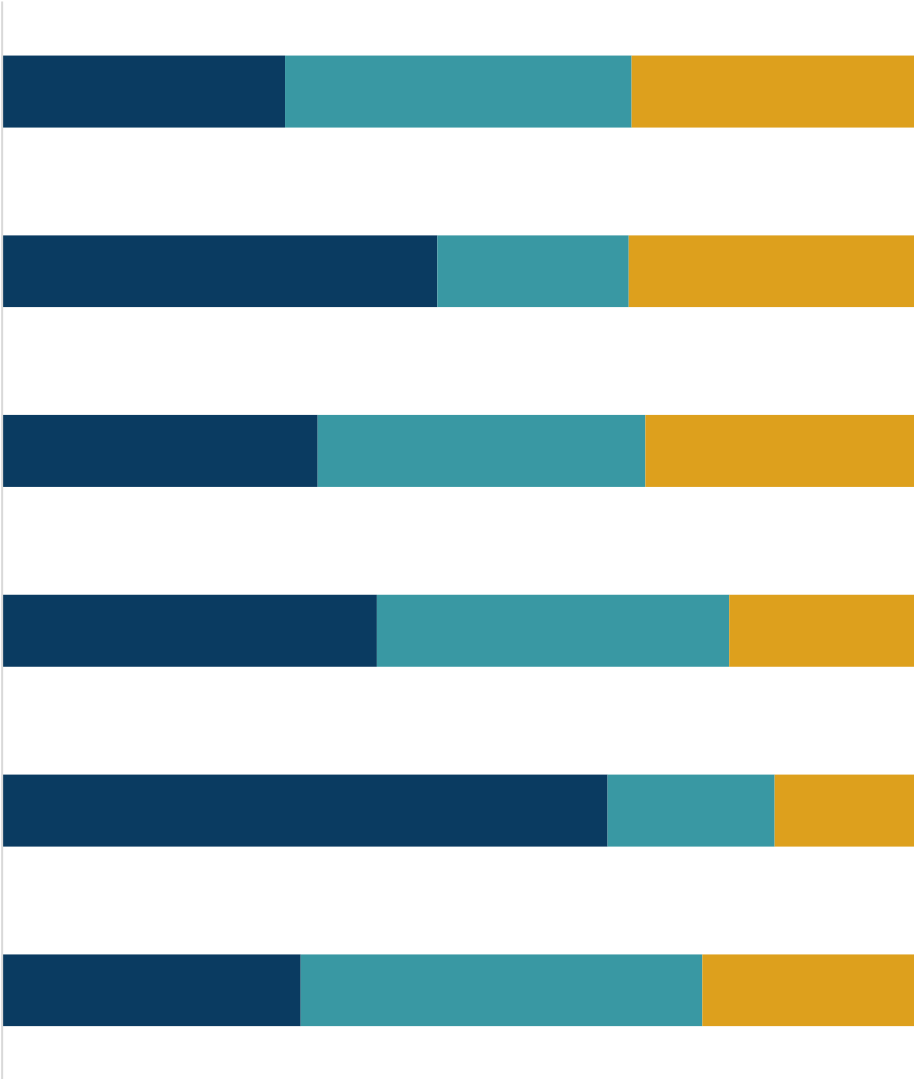
Finding: The HC Department's Key Performance Indicators (KPIs) do not support efficiency or effectiveness.

- 5 No benchmarks

- 5 Current KPIs not tied to a strategy/objective

- 5 Limited ability to

Key Performance Indicators



Key Performance Indicators

Recommendation: Align the HC Department's KPIs with its strategic objectives.

Function	Efficiency and Effectiveness Indicators and Metrics
Global Performance and Financial Management	<ul style="list-style-type: none">• Student-to-Staff Ratio• Student-to-Teacher Ratio• Number of District employees per Human Resources FTE
Recruitment and Hiring	<ul style="list-style-type: none">• "Time-to-Hire"• Number of employment applications processed per FTE
Employee Satisfaction and Safety	<ul style="list-style-type: none">• Employee turnover rate, by employee group• Number of new employee grievances by level• Teacher turnover rate, by campus
Compensation	<ul style="list-style-type: none">• Rank of average salary, by position type, among peer districts

Management Response : Agree

Communications

Finding: The HC Department's use of "Let's Talk" hinders its ability to support its customers.

- 5 Limited data monitoring
- 5 Unclear reporting/response structures
- 5 Average response time is 5 days; goal is 3 days
- 5 Multiple "past due" dialogues containing serious/urgent matters

Communications

Recommendation: Bolster the HC Department's ability to provide high-quality customer service through the enhanced use of "Let's Talk."

- 5 Develop monitoring protocols
- 5 Utilize available "Let's Talk" workflows
- 5 Accountability structures

Management Response : Agree

Compliance

Finding: AISD personnel files are incomplete, exposing the District to unacceptable levels of risk.

5 Out of 30 files tested, one included all required documentation.



Staffing

Position Management

Finding: The HC Department's position management function does not effectively control the number of positions in AISD.

- 5 Managed on a spreadsheet, vulnerable to human error
- 5 Does not provide "real time" reporting
- 5 Inhibits long-term, strategic workforce planning

Position Management

Recommendation: Leverage the position control module in Frontline to facilitate staff planning and more effectively manage the District's workforce.

- 5 Move away from spreadsheets
- 5 Conduct an annual position audit
- 5 Appropriate division of responsibilities between HC and Finance Departments

Management Response : Agree

Absence Management

5 Tested sick and personal leave for teachers

5 8,299 instances in 2021-22 school year that an absence was entered by a teacher in Frontline and not reported in Kronos

5 Occurred for 1,518 individual employees

5 Implications for:

- o Teacher Retirement System (TRS) reporting
- o Accurate compensation for hourly employees
- o General compliance

Absence Management

Recommendation: Strengthen internal controls over absence management.

- 5 Conduct review to assess other control weaknesses (e.g., other positions and other absence types)
- 5 Additional controls, largely captured in new ERP
 - o Align leave request and approval process
 - o Substitute management module
- 5 Regularly audit employee absence data

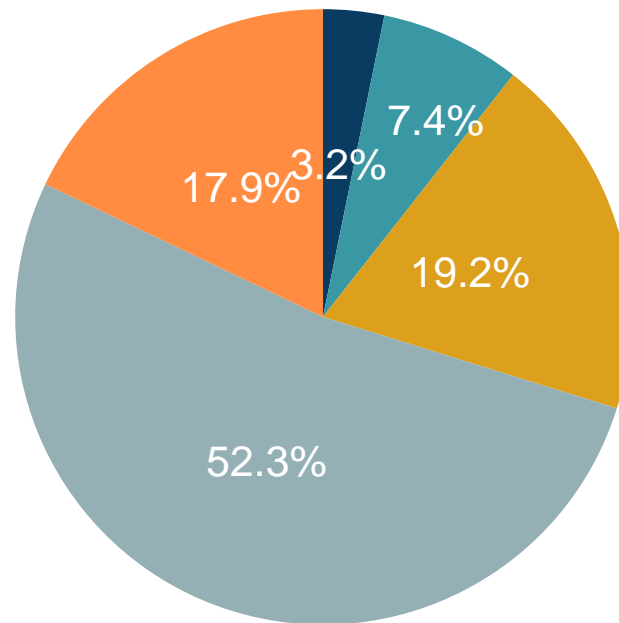
Management Response : Agree

Qai

Commendation

Commendation

“AISD’s open enrollment process is easy to navigate.”



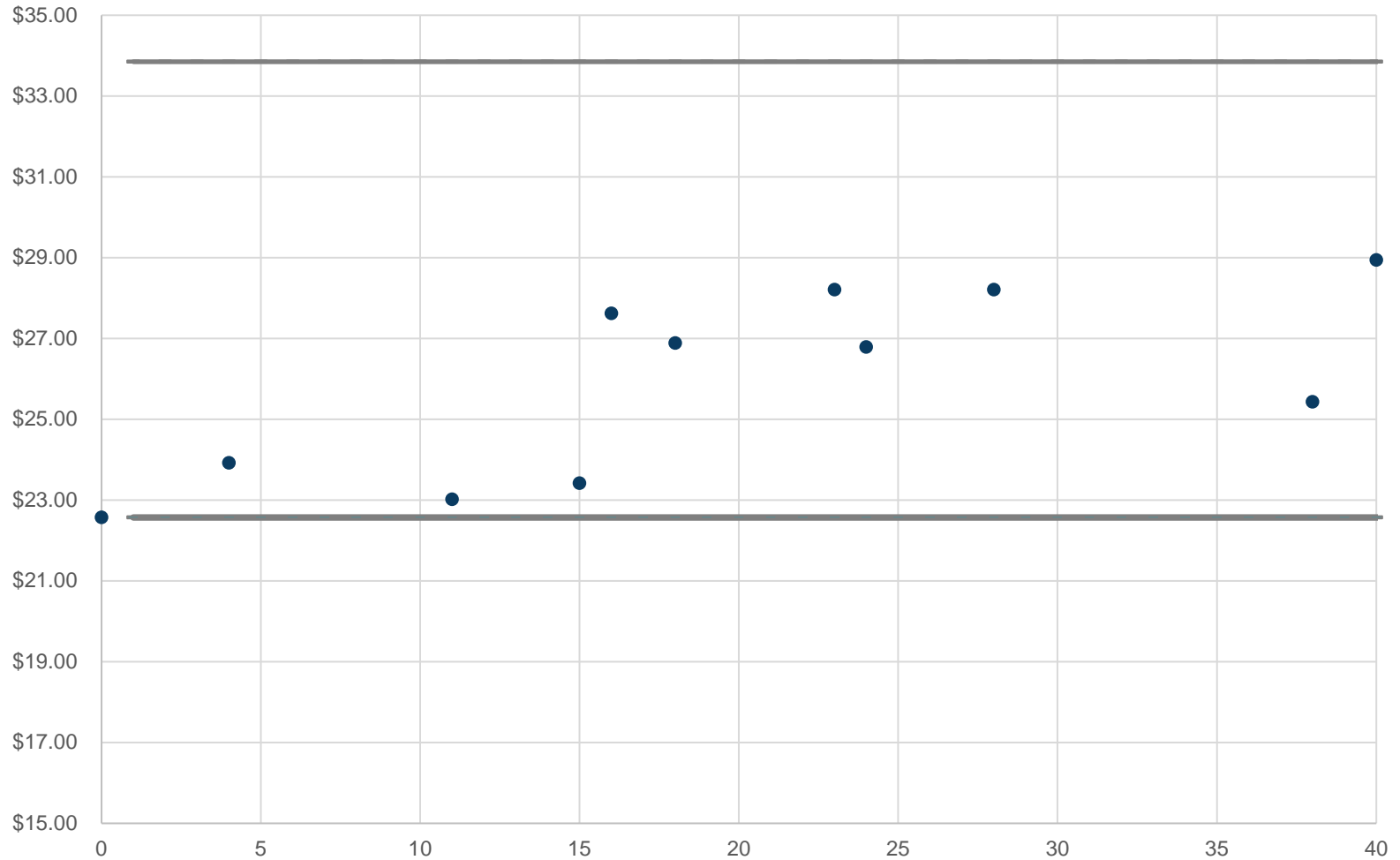
- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

Salary Compression

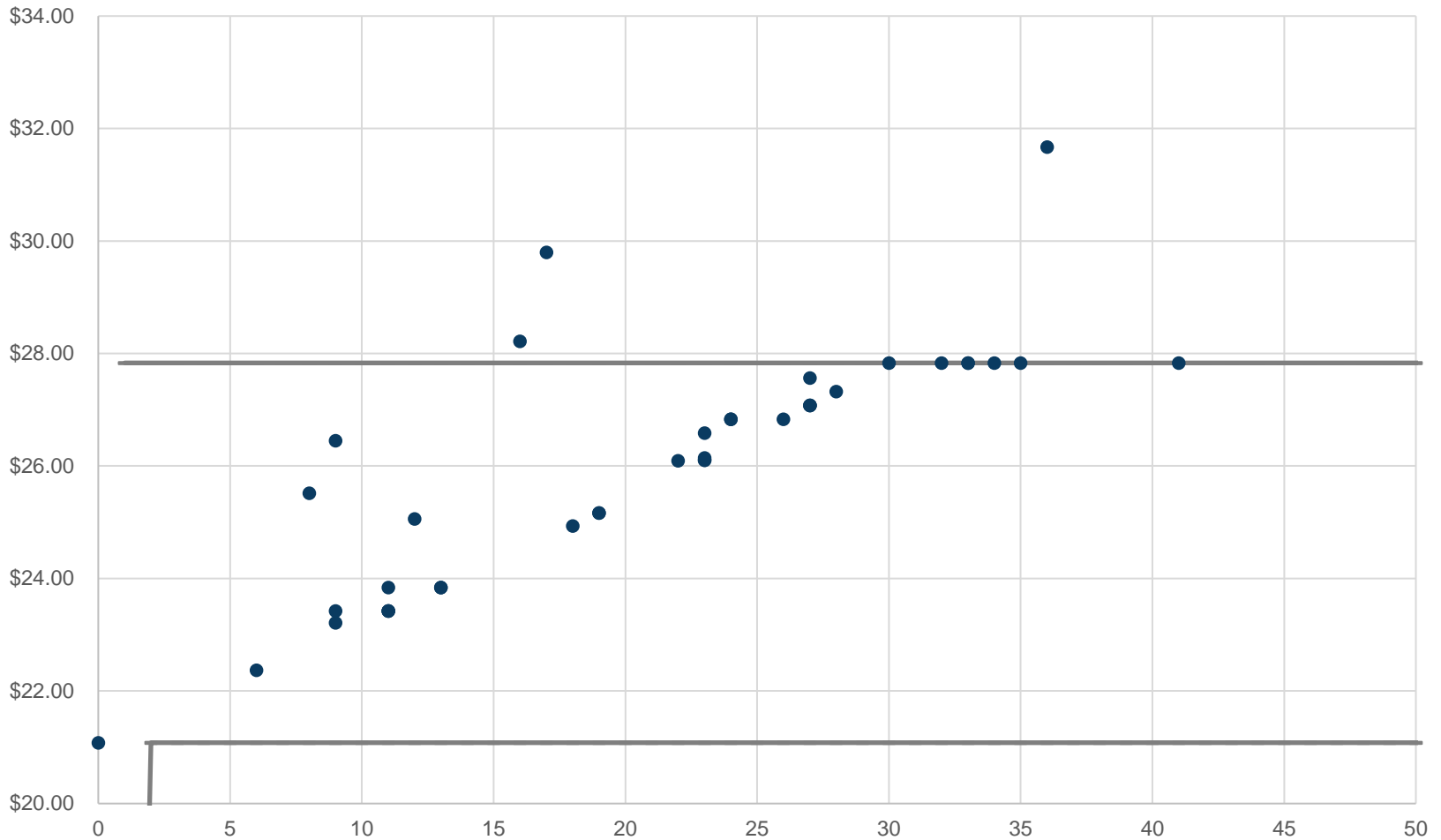
Finding: The inconsistent application of District pay rules has created salary compression at AISD.

- 5 Typically a result of a desire to keep valuable employees or attract talent
- 5 Manual calculation of applicable years of experience cannot be extracted to internally evaluate compression

AUX10 (Operational Technician)



IT3 (Help Desk Analyst/Specialist)





Pay Range Analysis

Finding: More than 300 AISD employees are being compensated outside of Board-approved pay ranges.

5 251 above maximum

- o Largest group is AP9 paygrade (Elementary Principals)

5 113 below minimum

- o 99 in BD1 (Bus Drivers)
- o Agreed to a lower rate with updated work schedule in 22-23

5 General practice of not adjusting pay that is over maximum

5 Inconsistent application of methods intended to equitize salaries within paygrades





Investigations

Finding: AISD's approach to employee investigations poses risks.

- 5 Investigative procedures not adequately documented
- 5 General Counsel's Office insufficiently involved in investigations
- 5 Legal Review Committee (LRC) does not leverage in-house

Investigations

Recommendation: Restore the Human Capital Department's responsibility for managing employee investigations.

- 5 Centralized creation and maintenance of SOPs, templates, resources
- 5 Leverages District's expertise
- 5 Establishes impartiality in investigations
- 5 Cabinet members can focus on performance of their own divisions

Management Response : Agree

Questions