

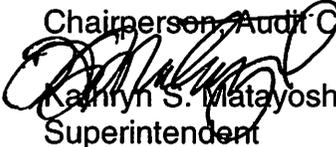


STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

February 2, 2016

TO: The Honorable Lance A. Mizumoto  
Chairperson, Audit Committee

FROM:   
Kathryn S. Matayoshi  
Superintendent

SUBJECT: **Presentation of the Department of Education's Internal Audit Plan –  
Quarterly Update through December 31, 2015**

1. DESCRIPTION

Presentation of the Department of Education's Internal Audit Plan – Quarterly Update through December 31, 2015.

2. PRESENTATION

Presentation of the Department of Education's Internal Audit Plan – Quarterly Update through December 31, 2015.

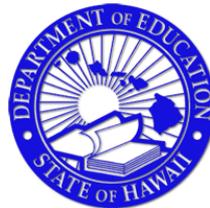
KSM:DY:jj  
Attachment

c: Internal Audit Office

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State of Hawaii  
**Department of Education**

INTERNAL AUDIT PLAN  
QUARTERLY UPDATE THROUGH DECEMBER 31, 2015



FOR AUDIT COMMITTEE MEETING  
February 2, 2016

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*This report is prepared solely for the internal use of the Audit Committee and management of the State of Hawaii, Department of Education.*



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## Executive Summary

### Assurance Projects:

#### *Operational Review of the Special Education Program*

- Review began in May 2015. The review was postponed to accommodate the schedule of the Special Education Section. The review resumed in September 2015. Report will be issued January 2016.

#### *Baseline Assurance Projects*

- Internal Audit (IA) performed one (1) Student Activity Funds Audit, two (2) School Monitoring Review, and provided internal control consultation to various schools/offices during the Quarter.



## Executive Summary (continued)

### Consulting, Fiscal Reviews, and Other Projects:

#### Monitoring Based on Management Action Plans

- IA followed-up on management's action plans to the observations noted in the completed reviews. (See Internal Audit Recommendation Status on pages 17 - 62)

#### Ethics and Code of Conduct Policy

- IA followed up with the Office of Human Resources on the status of the Code of Conduct Policy. Currently, a revised draft of the Code of Conduct Policy is out for final consultation with the unions.

#### Fraud and Ethics Hotline – Confidential Reporting Mechanism

- IA continued to coordinate assignments and monitor allegations received from the Fraud and Ethics Hotline.

#### Fiscal Reviews

- IA was involved in several fiscal reviews during the Quarter.

#### Baseline Monitoring Projects

- IA issued the "Results from the 2015 Annual Internal Audit Checklist" (Annual Checklist) in December 2015.

#### Other Matters Impacting the Internal Audit Office during the Quarter

- IA continued to coordinate and assist N&K CPAs for the "Annual Financial & Single Audit fye 6/30/15".





## Observation Analysis of Completed Reports

Based on previously completed reports, we compiled a listing of common observations. Management is currently in the process of addressing these Department wide gaps.

		Common Observations					
		Lack of Oversight & Monitoring	Lack of Policies	Lack of Procedures	Segregation of Duties	Insufficient Training	Lack of Compliance
Reports Issued	Procurement & Contracting Process Follow-Up Review	X <sup>1</sup>				X	X <sup>1</sup>
	Fixed Assets Management Review	X	X	X		X	X
	Workers' Compensation Review	X					X <sup>1</sup>
	Student Assessment Administrative Review - Phase 1	X					
	Data Access Controls Review	X	X	X		X	
	Equipment and Fleet Maintenance Review	X	X	X			X
	Payroll Review	X					
	Leave Accounting Follow-Up Review	X <sup>1</sup>	X	X	X	X	X <sup>1</sup>
	Student Information Privacy Review						X <sup>1</sup>
	Consolidated Report of Procurement Card (P-Card) Reviews	X				X	X <sup>1</sup>
	eHR Post-Implementation Review	X	X	X	X		
	Data Integrity Review - Student Enrollment	X <sup>1</sup>	X	X	X <sup>1</sup>	X	X <sup>1</sup>
	Community School for Adults Consolidated Review Report	X <sup>1</sup>	X	X	X <sup>1</sup>	X	X <sup>1</sup>
	School Food Services Review	X	X	X	X <sup>1</sup>	X <sup>1</sup>	X <sup>1</sup>
	Casual Hire Personnel Recruitment, Hiring & Payroll Processes Review	X <sup>1</sup>	X	X	X <sup>1</sup>	X	X <sup>1</sup>
	Procurement & Contracting Process Review	X <sup>1</sup>				X	X <sup>1</sup>
	Leave Data & Timekeeping Process Review	X <sup>1</sup>	X	X	X	X	
	Consolidated Report of Audits of Cancelled P-Card	X				X	X <sup>1</sup>
Master Vendor Table Review	X	X				X <sup>1</sup>	

<sup>1</sup> Observations were at the school level (not at the state office level).



# Management Action Item Dashboard Summary

## <sup>1</sup> Audit Rating Definitions:

- Acceptable – No significant deficiencies exist, while improvement continues to be appropriate; controls are considered adequate and findings are not significant to the overall unit/department.
- Marginal – Potential for loss to the auditable unit/department and ultimately to the DOE. Indicates a number of observations, more serious in nature related to the control environment. Some improvement is needed to bring the unit to an acceptable status, but if weaknesses continue without attention, it could lead to further deterioration of the rating to an unacceptable status.
- Unacceptable – Significant deficiencies exist which could lead to material financial loss to the auditable unit/department and potentially to the DOE. Corrective action should be a high priority of management and may require significant amounts of time and resources to implement.

## <sup>2</sup> COSO Category Definitions:

- Operational Findings – Audit finding relates to the effective and efficient use of the entity’s resources.
- Financial Findings – Audit finding relates to the preparation of reliable published financial statements.
- Compliance Findings – Audit finding relates to the entity’s compliance with applicable laws and regulations.

## <sup>3</sup> Completion Status Definitions:

- Completed– Audit finding was resolved as stated by management.
- Partially Completed –Audit finding was partially resolved as stated by management.
- Outstanding – Not Overdue – Audit finding has not been resolved but has not passed management’s target date.
- Outstanding – Overdue - Audit finding has not been resolved and has passed management’s target date.



## Management Action Item Dashboard Summary (continued)

The following represents the status of IA observations and recommendations from previous issued reports as reported by management:

Audit	Audit Rating <sup>1</sup>	COSO Category <sup>2</sup>				No. of Findings Ranked "High" Requiring Immediate Management Attention	Completion Status <sup>3</sup>				Contact
		Operational Findings	Financial Findings	Compliance Findings	Total Findings		Outstanding - Overdue	Outstanding - Not Overdue	Partially Completed	Completed	
Procurement & Contracting Process Follow-Up Review (Issued October 2015)	Marginal	1	0	3	4	1	0	0	4	0	Accounting Director, Procurement and Contracts Branch Director & Personnel Specialist of Records and Transactions Section
Fixed Assets Management Review (Issued April 2015)	Marginal	2	1	1	4	1	0	0	4	0	Accounting Director & Director of Safety, Security and Emergency Preparedness Branch
Workers' Compensation Review (Issued April 2015)	Marginal	2	0	1	3	0	0	0	2	1	Workers' Compensation Supervisor
Student Assessment Administrative Review - Phase 1 (Issued March 2015)	Marginal	5	0	0	5	0	0	0	4	1	Director of Assessment and Accountability Branch
Data Access Controls Review (Issued November 2014)	Marginal	3	0	0	3	1	0	0	1	2	Director of Enterprise Systems Branch & Director of Enterprise Infrastructure Services Branch
Payroll Review (Issued April 2014)	Marginal	3	0	0	3	1	0	0	2	1	Accounting Operations Specialist
Leave Accounting Follow-Up Review (Issued January 2014)	Unacceptable	4	0	0	4	3	0	0	4	0	OHR Personnel Specialist & OFS Accounting Operations Specialist
Data Integrity Review - Student Enrollment (Issued April 2013)	Marginal	4	0	1	5	4	0	0	5	0	School Process and Analysis Branch Director
Leave Data & Timekeeping Process Review (Issued March 2010)	Unacceptable	5	0	0	5	2	0	0	1	4	Accounting Director
<b>TOTAL</b>		<b>29</b>	<b>1</b>	<b>6</b>	<b>36</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>9</b>	

\* See page 5 for definitions on Audit Rating, COSO Category, and Completion Status.



## Audit Observation Rating Scale Definitions

<b>High (1)</b>	<p>1 - The impact of the finding is <i>material</i><sup>1</sup> and the likelihood of loss is probable in one of the following ways:</p> <ul style="list-style-type: none"><li>- A material misstatement of the DOE's financial statements could occur;</li><li>- The DOE's business objectives, processes, financial results, or image could be materially impaired;</li><li>- The DOE may fail to comply with applicable laws, regulations, or contractual agreements, which could result in fines, sanctions, and/or liabilities that are material to the DOE's financial performance, operations, or image.</li></ul> <p><i>Immediate action is recommended to mitigate the DOE's exposure.</i></p>
<b>Moderate (2)</b>	<p>2 - The impact of the finding is <i>significant</i><sup>1</sup> and the likelihood of loss is possible in one of the following ways:</p> <ul style="list-style-type: none"><li>- A significant misstatement of the DOE's financial statements could occur;</li><li>- The DOE's business objectives, processes, financial performance, or image could be notably impaired;</li><li>- The DOE may fail to comply with applicable laws, regulations, or contractual agreements, which could result in fines, sanctions and/or liabilities that are significant to the DOE's financial performance, operations, or image.</li></ul> <p><i>Corrective action by management should be prioritized and completed in a timely manner to mitigate any risk exposure.</i></p>
<b>Low (3)</b>	<p>3 - The impact of the finding is moderate and the probability of an event resulting in loss is possible.</p> <p><i>Action is recommended to limit further deterioration of controls.</i></p>

<sup>1</sup>The application of these terms are consistent with the guidelines provided by the Institute of Internal Auditors.



## Management Action Item Dashboard Detail

REPORT NAME	OBSERVATION	AUDIT RATING <sup>1</sup> OF OBSERVATION	OUTSTANDING - OVERDUE	OUTSTANDING – NOT OVERDUE	PARTIALLY COMPLETED	COMPLETED
Procurement & Contracting Process Follow-Up Review (Issued October 2015)	1	High	0	0	1	0
	2	Moderate	0	0	1	0
	3	Moderate	0	0	1	0
	4	Moderate	0	0	1	0

**Objectives:**

1. To ensure that Management adequately addressed and resolved the audit findings that resulted from the “*Procurement & Contracting Process Review*” issued in July 2012 and the “*Consolidated Report of Procurement Card (“P-Card”) Reviews*” issued in August 2013.
2. To perform detailed test work to determine the operating effectiveness of the procedures put into place to remediate the P-Card findings.

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Management Action Item Dashboard Detail (continued)

REPORT NAME	OBSERVATION	AUDIT RATING <sup>1</sup> OF OBSERVATION	OUTSTANDING - OVERDUE	OUTSTANDING – NOT OVERDUE	PARTIALLY COMPLETED	COMPLETED
Fixed Assets Management Review (Issued April 2015)	1	High	0	0	1	0
	2	Moderate	0	0	1	0
	3	Low	0	0	1	0
	4	Low	0	0	1	0

**Objectives:**

1. To obtain a general understanding of the design and operating effectiveness of the fixed assets inventory process.
2. To review, evaluate, and test the operating effectiveness of the fixed assets inventory process to ensure key controls have been adequately put into place and are in compliance with policies and procedures.
3. To determine whether fixed assets are adequately accounted for.
4. To verify fixed assets exist and all assets are properly recorded in “WinFMS.”
5. To provide recommendations based on leading practices for improvement to enhance effectiveness and efficiency of fixed asset management.

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Management Action Item Dashboard Detail (continued)

REPORT NAME	OBSERVATION	AUDIT RATING <sup>1</sup> OF OBSERVATION	OUTSTANDING - OVERDUE	OUTSTANDING - NOT OVERDUE	PARTIALLY COMPLETED	COMPLETED
Workers' Compensation Review (Issued April 2015)	1	Moderate	0	0	0	1
	2	Moderate	0	0	1	0
	3	Low	0	0	1	0

**Objectives:**

1. To evaluate the Department's compliance with policies, procedures and applicable laws and regulations for Workers' Compensation (WC).
2. To ensure that WC information is accurate and reliable.
3. To test the design and operating effectiveness of the Department's internal controls over the WC process.
4. To provide recommendations for improvement to enhance effectiveness & efficiency.

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Management Action Item Dashboard Detail (continued)

REPORT NAME	OBSERVATION	AUDIT RATING <sup>1</sup> OF OBSERVATION	OUTSTANDING - OVERDUE	OUTSTANDING – NOT OVERDUE	PARTIALLY COMPLETED	COMPLETED
<b>Student Assessment Admin. Review – Phase 1 (Issued March 2015)</b>	<b>1</b>	<b>Moderate</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
	<b>2</b>	<b>Moderate</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
	<b>3</b>	<b>Moderate</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	<b>4</b>	<b>Low</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
	<b>5</b>	<b>Low</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>

**Objectives:**

1. To obtain a general understanding of the design and operating effectiveness of the administration of student assessments.
2. To review, evaluate and test the design of the administration of student assessments from the point of receiving the test results to publishing the results in various reports, so as to ensure that key controls have been adequately put into place and that processes are in compliance with policies and procedures.
3. To review, evaluate and test the design of the monitoring of third party contracts involved in the student assessment and reporting processes.
4. To review the student assessment process and identify opportunities for efficiency and operational improvements within the administration of student assessments.

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Management Action Item Dashboard Detail (continued)

REPORT NAME	OBSERVATION	AUDIT RATING <sup>1</sup> OF OBSERVATION	OUTSTANDING - OVERDUE	OUTSTANDING – NOT OVERDUE	PARTIALLY COMPLETED	COMPLETED
Data Access Controls Review (Issued November 2014)	1	High	0	0	1	0
	2	Moderate	0	0	0	1
	3	Low	0	0	0	1
<b>Objectives:</b> <ol style="list-style-type: none"> <li>1. To review, evaluate, and test the design and operating effectiveness of the process to revise (i.e. add, change, or remove) employee access privileges.</li> <li>2. To review, evaluate, and test the design and operating effectiveness of the process to monitor user/employee access levels to ensure:               <ol style="list-style-type: none"> <li>a. Employee’s access privileges align with the employee’s job responsibilities;</li> <li>b. Adequate segregation of duties exist; and</li> <li>c. Employee/user IDs are valid.</li> </ol> </li> <li>3. To review, evaluate, and test the design and operating effectiveness of the process to ensure that only authorized employees are assigned ‘administrator’ access and such access is only used to perform authorized activities.</li> </ol>						

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Management Action Item Dashboard Detail (continued)

REPORT NAME	OBSERVATION	AUDIT RATING <sup>1</sup> OF OBSERVATION	OUTSTANDING - OVERDUE	OUTSTANDING – NOT OVERDUE	PARTIALLY COMPLETED	COMPLETED
Payroll Review (Issued April 2014)	1	High	0	0	1	0
	2	Moderate	0	0	1	0
	3	Low	0	0	0	1

**Objectives:**

1. To obtain a general understanding of the design and operating effectiveness of the payroll process.
2. To review, evaluate, and test the operating effectiveness of payroll processing to ensure key controls have been adequately put into place and are in compliance with policies and procedures.
3. To review, evaluate, and test the effectiveness of other payroll processing activities.
4. To determine if personnel and compensation changes are accurate and updated timely in the payroll system.
5. To compare the payroll process to “leading practices” and identify opportunities for efficiency and operational improvements within the payroll process.

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Management Action Item Dashboard Detail (continued)

REPORT NAME	OBSERVATION	AUDIT RATING <sup>1</sup> OF OBSERVATION	OUTSTANDING - OVERDUE	OUTSTANDING – NOT OVERDUE	PARTIALLY COMPLETED	COMPLETED
Leave Accounting Follow-Up Review (Issued January 2014)	1	High	0	0	1	0
	2	High	0	0	1	0
	3	High	0	0	1	0
	4	Moderate	0	0	1	0

**Objectives:**

1. To ensure that Management has adequately addressed and resolved the audit findings that resulted from the March 2010 Internal Audit “*Leave Data & Timekeeping Process Review*” and appropriately evaluated and implemented the recommendations from the June 2011 KMH LLP “*Form G-2 Process Improvement Review*.”
2. Test a sample of employees within the selected schools and offices to ensure that data entered into the T&A system is accurate, timely and properly supported and approved.

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Management Action Item Dashboard Detail (continued)

REPORT NAME	OBSERVATION	AUDIT RATING <sup>1</sup> OF OBSERVATION	OUTSTANDING - OVERDUE	OUTSTANDING – NOT OVERDUE	PARTIALLY COMPLETED	COMPLETED
<b>Data Integrity Review – Student Enrollment (Issued April 2013)</b>	1	High	0	0	1	0
	2	High	0	0	1	0
	3	High	0	0	1	0
	4	High	0	0	1	0
	5	Low	0	0	1	0
<b>Objectives:</b>						
<ol style="list-style-type: none"> <li>1. To review, evaluate, and test the design and operating effectiveness of the DOE’s Student Enrollment and Withdrawal process at the DOE schools.</li> <li>2. To ensure that DOE schools are in compliance with the Student Enrollment and Withdrawal policies and procedures:               <ol style="list-style-type: none"> <li>a. Ensure that enrollment and withdrawal forms are properly completed and retained.</li> <li>b. Ensure that student information is properly recorded into the student information system.</li> <li>c. Ensure that information for student enrollment and withdrawals are entered timely into the student information system.</li> </ol> </li> <li>3. To evaluate the controls in place to determine the accountability measure of ensuring that student enrollment data is valid and reliable.</li> <li>4. To determine if Student Enrollment and Withdrawal policies and procedures have been updated and communicated to the field.</li> <li>5. To provide recommendations to improve and enhance the effectiveness and efficiency of the Student Enrollment and Withdrawal processes.</li> </ol>						

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Management Action Item Dashboard Detail (continued)

REPORT NAME	OBSERVATION	AUDIT RATING <sup>1</sup> OF OBSERVATION	OUTSTANDING - OVERDUE	OUTSTANDING - NOT OVERDUE	PARTIALLY COMPLETED	COMPLETED
Leave Data & Timekeeping Process Review (Issued March 2010)	1	High	0	0	0	1
	2	Moderate	0	0	0	1
	3	Moderate	0	0	0	1
	4	High	0	0	0	1
	5	Moderate	0	0	1	0

**Objectives:**

1. Evaluate the design of the internal controls in place surrounding the leave data and timekeeping processes to ensure that the processes:
  - a. are efficient;
  - b. comply with applicable codes, policies, regulations, and contract requirements;
  - c. adequately maintain the integrity of data; and
  - d. mitigate risks associated with access rights and authority limits.
2. Understand and evaluate for clarity, consistency, and completeness; the processes and tools in place that help to ensure personnel have the appropriate skills and training (i.e., communication channels, available resources, etc.) to properly administer employee leave and time.
3. Review the timekeeping process for selected schools and offices to ensure consistency with prescribed procedures. Also, identify any practices for knowledge sharing purposes which are currently in place that may be beneficial to all departments.
4. Test a sample of employees within the selected schools and offices to ensure that data entered into the KRONOS system is accurate, timely and properly supported and approved.

<sup>1</sup> See page 7 for definitions of Audit Ratings.



# Internal Audit Recommendation Status

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Accounting Director, Director of Procurement and Contracts Branch, and Personnel Specialist of Records and Transactions Section</b>				
<b>Procurement &amp; Contracting Process Follow-Up Review, Issued October 2015</b>				
<p><b>1. Procurement and contracting procedures are not always performed</b></p> <p><i><b>IA Recommendations:</b></i> P-Card holders should ensure that Purchasing Worksheets are completed timely and reviewed by the P-Card Administrator to indicate prior approval for P-Card purchases. Continuous training should be provide and continuous reminders should be sent to the field. Training should be provided to the field regarding the new version of the Purchasing Worksheet that integrates the Form 10-B. CABMs should coordinate with ASAs to perform fiscal audits. Management should require P-Card holders to submit the Purchasing Worksheet, Form 10-B, and HCE screen print, in addition to the required P-Card documents, to Vendor Payment (VP). Vendor Payment should review these documents to ensure compliance with DOE Procurement Guides. Management should consider including fiscal stewardship in personnel evaluations. Management may want to review current policies and procedures to determine its applicability and practicality so that VP can efficiently perform “after the fact” audits.</p> <p><i><b>Management's Corrective Action Plan Status:</b></i></p> <p><u>Completed</u></p> <ul style="list-style-type: none"> <li>* Purchasing Worksheet/10-B Training – The new forms were presented at the Principal Round Table and at the CABM meeting. An overview of the new forms was also provided to the CASs at the Leadership meeting. The Procurement and Contracts Branch (PCB) continues to remain available via phone and email if schools and offices have any questions on the forms.</li> <li>* The Focus Group comprising of OFS, Office of Human Resources (OHR), and field subject matter experts, met and is in the process of documenting and fine-tuning the proposed plan to address the findings.</li> </ul> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* A draft of the proposed corrective action plan from ASB, Operations Section, will be submitted to IA by February 2016, along with a target date for completion.</li> </ul>	(1)	February 2016  Corrective Action Plan Completion Date to be Determined	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Procurement &amp; Contracting Process Follow-Up Review, Issued October 2015 (continued)</b>				
<b>Accounting Director, Director of Procurement and Contracts Branch, and Personnel Specialist of Records and Transactions Section</b>				
<p><b>2. P-Card procedures are not always performed at the school/office level</b></p> <p><i>IA Recommendations:</i> P-Card holders should ensure that only proper school/office related purchases are made using the P-Card; Purchasing Worksheets are completed timely and reviewed by the P-Card Administrator to indicate prior approval for P-Card purchases; the Statement of Account Report is reviewed, signed, and dated on a monthly basis; and that accounting codes are recorded properly for each transaction. Continuous training should be provide and continuous reminders should be sent to the field. CABMs should coordinate with ASAs to perform fiscal audits. Management should require P-Card holders to submit the Purchasing Worksheet, Form 10-B, and HCE screen print, in addition to the required P-Card documents, to Vendor Payment. Vendor Payment should review these documents to ensure compliance with DOE Procurement Guides. Management should consider including fiscal stewardship in personnel evaluations. Management may want to review current policies and procedures to determine its applicability and practicality so that Vendor Payment can efficiently perform “after the fact” audits.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u>            * The Focus Group comprising of OFS, Office of Human Resources (OHR), and field subject matter experts, met and is in the process of documenting and fine-tuning the proposed plan to address the findings.</p> <p><u>Outstanding</u>            * A draft of the proposed corrective action plan from ASB, Operations Section, will be submitted to IA by February 2016, along with a target date for completion.</p>	(2)	February 2016  Corrective Action Plan Completion Date to be Determined	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Procurement &amp; Contracting Process Follow-Up Review, Issued October 2015 (continued)</b> <b>Accounting Director, Director of Procurement and Contracts Branch, and Personnel Specialist of Records and Transactions Section</b>				
<p><b>3. Proper forms and supporting documents are not always submitted or kept of file</b>  <b>IA Recommendations:</b> P-Card holders should ensure that all required P-Card documents are submitted to Vendor Payment on time on a monthly basis. Continuous training should be provide and continuous reminders should be sent to the field. CABMs should coordinate with ASAs to perform fiscal audits. For non-submittals, VP should follow up with P-Card holders on a timely basis. Management should require P-Card holders to submit the Purchasing Worksheet, Form 10-B, and HCE screen print, in addition to the required P-Card documents, to Vendor Payment. Vendor Payment should review these documents to ensure compliance with DOE Procurement Guides. Management should consider including fiscal stewardship in personnel evaluations. Management may want to review current policies and procedures to determine its applicability and practicality so that Vendor Payment can efficiently perform “after the fact” audits.  <b>Management's Corrective Action Plan Status:</b>  <u>Completed</u>            * The Focus Group comprising of OFS, Office of Human Resources (OHR), and field subject matter experts, met and is in the process of documenting and fine-tuning the proposed plan to address the findings.  <u>Outstanding</u>            * A draft of the proposed corrective action plan from ASB, Operations Section, will be submitted to IA by February 2016, along with a target date for completion.</p>	(2)	February 2016  Corrective Action Plan Completion Date to be Determined	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Procurement &amp; Contracting Process Follow-Up Review, Issued October 2015 (continued)</b>				
<b>Accounting Director, Director of Procurement and Contracts Branch, and Personnel Specialist of Records and Transactions Section</b>				
<p><b>4. Lack of controls when employees separate from the DOE or transfer to another school/office</b>  <b>IA Recommendations:</b> Vendor Payment in conjunction with OHR should develop a system in which OHR notifies Vendor Payment whenever an employee terminates or transfers in a timely manner. Vendor Payment can then ensure that the cancellation process for the terminated/transferred P-Card holder is performed. Periodically, Vendor Payment should review the list of active P-Card holders to ensure that the cancellation process with First Hawaiian Bank has been performed for employees who have terminated, retired, resigned, or transferred.</p> <p><b>Management's Corrective Action Plan Status:</b>  <u>Completed</u>            * The Focus Group comprising of OFS, Office of Human Resources (OHR), and field subject matter experts, met and is in the process of documenting and fine-tuning the proposed plan to address the findings.</p> <p><u>Outstanding</u>            * HR is finalizing the Separation Guidelines to address when employees' transfer out of a position. Timeline is still the end of January 2016 to complete the Separation Guidelines since the adding of language in the Separation Guidelines.            * A draft of the proposed corrective action plan from ASB, Operations Section, will be submitted to IA by February 2016, along with a target date for completion.</p>	(2)	February 2016  Corrective Action Plan Completion Date to be Determined	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Fixed Assets Management Review, Issued April 2015</b>		<b>Accounting Director and Director of Safety, Security, and Emergency Preparedness Branch</b>		
<p><b>1. Inaccurate Reporting of Fixed Assets</b></p> <p><i>IA Recommendations:</i> Management should consider methods to automate fixed asset processes to help increase the accuracy of inventory records such as a bar-coded scanning process that could be integrated with the accounting system. More fixed assets training should be given to the field. Management should identify old Org IDs and clear out old/disposed fixed assets and transfer remaining fixed assets into new Org IDs. Management should periodically, on a test basis, review the items deleted off the hold file records for proper deletions, check that fixed assets are moved from the hold file into the property file, and ensure the proper disposal of fixed assets. Management should continue to send reminders throughout the year to the field for the following: timely submittal of disposal/transfer forms, move fixed assets from the hold file to the property files, decal all fixed asset items prior to distribution of the fixed asset, and update the location of the asset.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u></p> <p>* Accounting Service Branch (ASB) reviewed State HRS/HAR guidelines regarding inventory and had discussions with the State Procurement Office to verify their understanding of the law. A preliminary team of ASB, CABM, and UST staff was gathered to discuss the issues.</p>				

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<p><b>Fixed Assets Management Review, Issued April 2015 (continued)</b> <span style="float: right;"><b>Accounting Director and Director of Safety, Security, and Emergency Preparedness Branch</b></span></p>				
<p><b>1. Inaccurate Reporting of Fixed Assets (continued)</b></p> <p><i>Management's Corrective Action Plan Status:</i></p> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* A pilot bar-code system was rolled out 5 years ago but there were functionality issues, as well as interface issues with FMS, which is a 20+ year old system. OITS will be consulted to determine if a bar-code program will be cost effective and a viable means to gain operational improvements and workflow efficiency.</li> <li>* User Support Technicians (UST) provide training on FMS. There currently is a wait list so a review will be conducted to determine how many users are on the list, the cause of the backlog, and what resources are needed to address the backlog. The training program will be reviewed to determine if the program materials are up-to-date, and if the presentation format is still relevant.</li> <li>* Reports will be run to identify which schools/offices have fixed assets that are in old Org IDs, in the Hold File for an extended period of time, or should be removed due to disposition. These lists will be sent to the respective SASAs, Principals, and CABM for follow-up.</li> <li>* Notices are sent out twice a year to remind the field to update their Fixed Assets records in a timely manner, as well as to certify their annual physical inventory reports. Reports of outstanding items will be generated and sent to respective schools/offices for follow-up. If positive responses are not received in a timely manner, assistance will be sought from the CABMs, as well as Leadership.</li> </ul>	(1)	December 2020	Partially Completed	September 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Fixed Assets Management Review, Issued April 2015 (continued)</b>		<b>Accounting Director and Director of Safety, Security, and Emergency Preparedness Branch</b>		
<p><b>2. Procedures Not Performed at the School/Office Level</b></p> <p><i>IA Recommendations:</i> Management should continue its efforts to diligently obtain supporting documentation evidencing physical inventory counts. Continued reminders should be sent to the field to properly conduct physical inventory counts at least on an annual basis. Management should issue an electronic standardized decal log template found in the SASA Academy Training for fixed assets recording. More fixed asset training should be given to the field. Management should continue to send reminders throughout the year to the field for the following: timely submittal of disposal/transfer forms, move fixed assets from the hold file to the property files, decal all fixed asset items prior to distribution of the fixed asset, and update the location of the asset.</p> <p><b>Management's Corrective Action Plan Status:</b>  <u>Completed</u></p> <p>* Accounting Service Branch (ASB) reviewed State HRS/HAR guidelines regarding inventory and had discussions with the State Procurement Office to verify their understanding of the law. A preliminary team of ASB, CABM, and UST staff was gathered to discuss the issues.</p>				

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Fixed Assets Management Review, Issued April 2015 (continued)</b>		<b>Accounting Director and Director of Safety, Security, and Emergency Preparedness Branch</b>		
<p><b>2. Procedures Not Performed at the School/Office Level (continued)</b></p> <p><i>Management's Corrective Action Plan Status:</i></p> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* Notices are sent out twice a year to remind the field to update their Fixed Assets records in a timely manner, as well as to certify their annual physical inventory reports. Reports of outstanding items will be generated and sent to respective schools/offices for follow-up. If positive responses are not received in a timely manner, assistance will be sought from the CABMs, as well as Leadership.</li> <li>* A review will be done on current policies and procedures. All agreed upon revisions will be added to the policies and procedures manual, and communicated to the field through memos and updated SASA Academy training modules.</li> <li>* User Support Technicians (UST) provide training on FMS. There currently is a wait list so a review will be conducted to determine how many users are on the list, the cause of the backlog, and what resources are needed to address the backlog. The training program will be reviewed to determine if the program materials are up-to-date, and if the presentation format is still relevant.</li> </ul>	(2)	June 2017	Partially Completed	September 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Fixed Assets Management Review, Issued April 2015 (continued)</b>		<b>Accounting Director and Director of Safety, Security, and Emergency Preparedness Branch</b>		
<p><b>3. Lack of Current Fixed Assets Policies and Procedures (including Training and Guidelines)</b>  <i>IA Recommendations:</i> Management should revise and update policies to give clarity to the inventory process. Training should be given to the field on the revised procedures and policies. Management should continuously revisit these policies and procedures for any changes or updates.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u>            * Accounting Service Branch (ASB) reviewed State HRS/HAR guidelines regarding inventory and had discussions with the State Procurement Office to verify their understanding of the law. A preliminary team of ASB, CABM, and UST staff was gathered to discuss the issues.</p> <p><u>Outstanding</u>            * A review will be done on current policies and procedures. All agreed upon revisions will be added to the policies and procedures manual, and communicated to the field through memos and updated SASA Academy training modules.</p>	(3)	June 2017	Partially Completed	September 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Fixed Assets Management Review, Issued April 2015 (continued)</b>		<b>Accounting Director and Director of Safety, Security, and Emergency Preparedness Branch</b>		
<p><b>4. Process Inefficiencies Regarding Manual Procedures</b></p> <p><i>IA Recommendations:</i> Management should revise and update policies to eliminate process inefficiencies with fixed asset disposals. ASB should provide SSEPB with the annual disposal report for all schools/offices that shows all the disposals in the DOE due to theft and casualty loss in the respective fiscal year. The SSEPB should summarize and analyze the types of fixed assets thefts and losses and customize their training to the types of losses/damage. In addition, SSEPB could identify the schools/offices/ locations of where the majority of these losses are occurring and continue to perform site visits to ensure that risk areas are addressed and proper safety measures such as safe locations, locks, etc. could be recommended.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u></p> <ul style="list-style-type: none"> <li>* Accounting Service Branch (ASB) reviewed State HRS/HAR guidelines regarding inventory and had discussions with the State Procurement Office to verify their understanding of the law. A preliminary team of ASB, CABM, and UST staff was gathered to discuss the issues.</li> <li>* Workshops and presentations relating to risk management are ongoing, and have been completed for several districts.</li> <li>* Meetings have been held regarding site vulnerability. Topics discussed: Location, and design of security fences to reduce/prevent climbing over to enter facilities, access upper floors of facilities, or access rooftops.</li> <li>* After discussions with DAGS Risk Management and a memo issued by the State Comptroller, it was determined that forms cannot be consolidated as requirements need to be met on both sides.</li> </ul>				

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Fixed Assets Management Review, Issued April 2015 (continued)</b>		<b>Accounting Director and Director of Safety, Security, and Emergency Preparedness Branch</b>		
<p><b>4. Process Inefficiencies Regarding Manual Procedures (continued)</b></p> <p><i>Management's Corrective Action Plan Status:</i></p> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* A review will be done on current policies and procedures. All agreed upon revisions will be added to the policies and procedures manual, and communicated to the field through memos and updated SASA Academy training modules.</li> <li>* SSEPB will work with ASB to summarize and analyze the data received, looking for trends and potential vulnerabilities, and report out to DOE leadership on a quarterly basis.</li> <li>* SSEPB will continue to issue risk management information and reminders to all school and offices annually. SSEPB will also work with ASB to summarize and analyze the data received, looking for trends and potential vulnerabilities, and report out to DOE leadership on a quarterly basis. Once SSEPB are able to analyze the data received, focused training can be offered to Complex Area Superintendents.</li> </ul>	(3)	June 2017	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Workers' Compensation Review, Issued April 2015</b>		<b>Acting Workers' Compensation Supervisor and Health Benefits &amp; Awards Section Administrator</b>		
<p><b>1. WC procedures are not always followed at the school/office level</b></p> <p><i>IA Recommendations:</i> Management should 1) Place an internal checklist and procedures for file organization in the workers' compensation (WC) files; 2) Create internal implications for not submitting WC forms on a timely basis; 3) Consider making SASA Academy WC training course mandatory to Administrators and/or SASAs/Secretaries and require them to periodically retake course; and 4) Create and distribute checklists to schools and offices for WC claims processes.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u></p> <ul style="list-style-type: none"> <li>* Management updated the internal procedures for case file organization and required clerks to add the same to the new WC claim files when opening the new claim.</li> <li>* Management has provided a SASA Checklist for WC in the SASA Academy training materials and WC Unit's webpage, and will provide a copy to schools/offices upon request.</li> <li>* Management has provided quarterly reports of non-compliance to the CASs to request their assistance with ensuring schools comply with WC policies and procedures.</li> <li>* Management issued memo to the field to make the SASA Academy WC training course mandatory with a consequence of providing lists of non-participants to the respective CASs and ASs to help ensure compliance.</li> </ul>	(2)	September 2015	Completed	✓ September 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating 1	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Workers' Compensation Review, Issued April 2015 (continued)</b>		<b>Acting Workers' Compensation Supervisor and Health Benefits &amp; Awards Section Administrator</b>		
<p><b>2. Inefficiencies and clerical errors in the WC process</b></p> <p><i>IA Recommendations:</i> Management should 1)Reassign clerical work from Claims Managers to clerical staff which may require additional resources allocated to this area; 2)Revisit medical payment processes to streamline and reduce the length of time it takes to pay bills to service providers; 3)Place internal checklist and procedures for file organization in WC files; 4)Consider making SASA Academy WC training course mandatory to Administrators and/or SASAs/Secretaries and require them to periodically retake course and 5)Remind employees to submit "Time-Off for Treatment of Industrial Injury," Form DPS-412, when they are taking off for treatments related to WC case.</p> <p><b><i>Management's Corrective Action Plan Status:</i></b>  <u>Completed</u></p> <ul style="list-style-type: none"> <li>* Management updated the internal procedures for case file organization and required clerks to add the same to the new WC claim files when opening the new claim.</li> <li>* Management will continue to remind claimants and SASAs/Secretaries to use the "Time-Off for Treatment of Industrial Injury," Form DPS-412, when applicable.</li> </ul>				

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Workers' Compensation Review, Issued April 2015 (continued)</b>		<b>Acting Workers' Compensation Supervisor and Health Benefits &amp; Awards Section Administrator</b>		
<p><b>2. Inefficiencies and clerical errors in the WC process (continued)</b></p> <p><i>Management's Corrective Action Plan Status:</i></p> <p><u>Completed - continued</u></p> <ul style="list-style-type: none"> <li>* Management issued memo to the field to make the SASA Academy WC training course mandatory with a consequence of providing lists of non-participants to the respective CASs and ASs to help ensure compliance.</li> <li>* Management has filled its three (3) temporary unbudgeted positions that were just approved for FY16 and FY17. Also, increased personnel clerks from two to four to process medical bill payments.</li> </ul> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* An electronic bill audit process has been put in place and management is currently fine tuning the process with the service providers and expect full implementation by January 2016.</li> <li>* Continuing to work with OFS-Vendor Payment to create a better batching process to pay medical bills.</li> </ul>	(2)	<del>December 2015-</del> February 2016 (1st Extension)	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Workers' Compensation Review, Issued April 2015 (continued)</b> <b>Acting Workers' Compensation Supervisor, Health Benefits &amp; Awards Section Administrator and Acting Director of SSEPB</b>				
<p><b>3. Lack of effective WC prevention programs</b></p> <p><b>IA Recommendations:</b> Management should 1) Reassign clerical work form Claims Managers to clerical staff which may require additional resources allocated to this area; 2) WC unit to collect and summarize WC data and provide to Safety, Security and Emergency Preparedness Branch (SSEPB) for analysis and training; 3) SSEPB to analyze the WC data to identify risk areas/locations/duties that may be potential for injury and address these risks in their training; 4) SSEPB to administer accident prevention training as per their functional statement duties and 5) School Safety Inspection Teams to review their school's DOE accident reports to evaluate if the school has taken the necessary corrective actions to prevent future accidents from happening.</p> <p><b>Management's Corrective Action Plan Status:</b></p> <p><u>Completed</u></p> <ul style="list-style-type: none"> <li>* Management has filled its three (3) temporary unbudgeted positions that were just approved for FY 16 and FY 17.</li> <li>* WC management has provided SSEPB with WC data needed for SSEPB to analyze and provide training to prevent work-related injuries. They will provide data twice a year to SSEPB.</li> <li>* SSEPB implemented a program to conduct a mock Hawaii Occupational Safety and Health Division (HIOSH) inspection of all schools statewide within a three year cycle to prevent employee injuries.</li> <li>* SSEPB has posted a "Safety Committees Handbook" to their website for schools to reference on reviewing accident reports and other recommended tasks.</li> <li>* SSEPB has developed and begun training schools (upon request) an ergonomic training course.</li> </ul> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* SSEPB is working with WC to get more detailed data from WC to identify the main causes of injuries so they can develop a prevention program.</li> </ul>	(1)	January 2016	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Student Assessment Administrative Review - Phase 1, Issued March 2015</b>		<b>Director of Assessment and Accountability Branch</b>		
<p><b>1. Lack of monitoring and oversight of third party vendors</b></p> <p><i>IA Recommendations:</i> Management should consider requesting both vendors to have a Service Organization Control (SOC) 2 Report completed over the respective outsourced functions. SOC 2 reports generally report on controls at a Service Organization relevant to security, availability, processing integrity, confidentiality and privacy over data and information. A SOC2 Report would provide DOE management with an assessment of the service organization's internal controls, and address the risks associated with the outsourced functions. It would provide the DOE with a greater assurance that the assessment results are reported accurately and reliably. Management should also execute its right to review the books and records of AIR. In addition, Management should consider including language allowing DOE to review the books and records in future contracts with DataHouse. Once such language is included, Management should execute its rights to review the books and records of DataHouse.</p> <p><i>Management's Corrective Action Plan Status:</i></p> <p><u>Completed</u></p> <ul style="list-style-type: none"> <li>* SOC 1 report was completed for DataHouse.</li> <li>* Management has identified key processes related to the administration and scoring of the assessments. It is working with AIR to receive documentation/evidence of process integrity.</li> <li>* The Datahouse contract was revised to allow the DOE to review the books and records.</li> </ul>				

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Student Assessment Administrative Review - Phase 1, Issued March 2015 (continued)</b>		<b>Director of Assessment and Accountability Branch</b>		
<p><b>1. Lack of monitoring and oversight of third party vendors (continued)</b></p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* Management will review key risk areas against industry-standard practices during an on-site visit by an Assessment section representative.</li> <li>* The State or its designee may audit DataHouse to verify compliance with this Contract. The State and its authorized representatives or designees have the right to enter and inspect the Contractor's premises or any other places where Contract Activities are being performed, and examine, copy, and audit all records or documentation providing evidence of process integrity for all current and past activities related to this Contract. Contractor must cooperate and provide reasonable assistance. The Accountability Section is responsible for monitoring DataHouse.</li> <li>* Management will execute its right to review the books and records of AIR and DataHouse. Yearly, before the next year's processing window (around May), an Accountability section representative will be sent on-site to review the books, records, and processes related to the administration and scoring of the assessments prior to the next implementation. The representative will also review data validation and accountability data processing related to the administration and scoring of the assessments prior to the next implementation.</li> </ul>	(2)	February 2016	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Student Assessment Administrative Review - Phase 1, Issued March 2015 (continued)</b>		<b>Director of Assessment and Accountability Branch</b>		
<p><b>2. Insufficient controls over changes made to the final test results</b></p> <p><i>IA Recommendations:</i> DGA should formalize the process of requesting AIR to make corrections to the test results. At a minimum, the exception log should include the employee who submitted the request, the AIR representative who received the request and the date and time the request was made. The Assessment and Accountability Branch should request AIR and DataHouse to provide an audit log of all changes they make to the final files. The audit logs should be system generated, and identify the users who made changes to the data, and the date and time when the changes were made. DGA and Accountability Section should review these audit logs to ensure all changes are authorized. DGA and Accountability Section should review these audit logs for reasonableness and trending.</p> <p>OITS and DGA should have an automated audit log to identify all changes they make to the final test result file. The audit logs should be system generated, and identify the users who made changes to the data, and the date and time when the changes were made. Management from the Accountability Section should review and analyze OITS and DGA's audit log. The audit log is a control tool that should be utilized to monitor the changes made to the data, and detect possible unauthorized changes. Further, the audit log should be summarized so that it can be used as a tool to measure reasonableness as well as identify patterns of exceptions that could be alleviated or minimized for future tests.</p>				

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Student Assessment Administrative Review - Phase 1, Issued March 2015 (continued)</b> <span style="float: right;"><b>Director of Assessment and Accountability Branch</b></span>				
<p><b>2. Insufficient controls over changes made to the final test results (continued)</b></p> <p><i>Management's Corrective Action Plan Status:</i></p> <p><u>Completed</u></p> <ul style="list-style-type: none"> <li>* An electronic tracking system of corrections being implemented.</li> <li>* A specific role has been assigned to a staff member in the accountability section to perform this function.</li> </ul> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* A centralized repository will be developed to enter, track and verify student assessment demographic changes between AIR &amp; DGA. During the test window, if DGA finds exceptions after running their business rule scripts, DGA will request changes via a centralized repository. DGA's audit log was reviewed and will be modified to include key missing information. A detailed and summarized version of this log will be sent to the Accountability Section for review. The Accountability Section will review DGA's audit log as well as the log from the central repository for reasonableness.</li> <li>* For accountability report processing there are a myriad of data changes that need to be made. While there are currently log functions in place (the Accountability Section has log of requested changes and DataHouse has system generated transaction log), a role function will created in the Accountability Section to verify the changes processed in DataHouse's transaction log against the requested change.</li> <li>* A centralized repository will be developed to enter, track and verify student assessment demographic changes between OITS-DM &amp; DGA. During and after the test window, if DGA finds exceptions after running their business rule scripts, DGA will request changes via a centralized repository. DGA's audit log was reviewed and will be modified to include key missing information. A detailed and summarized version of this log will be sent to the Accountability Section for review. The Accountability Section will review DGA's audit log as well as the log from the central repository for reasonableness.</li> </ul>	(2)	June 2016	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Student Assessment Administrative Review - Phase 1, Issued March 2015 (continued)</b>		<b>Director of Assessment and Accountability Branch</b>		
<p><b>3. Inefficient transfer and inadequate protection of data</b></p> <p><i>IA Recommendations:</i> Management should evaluate alternative methods for the transfer of the final test results from DGA to the Accountability Section, such as having a server that both DGA and Accountability Section can access. At the very least, management should encrypt files transferred via a thumb drive with a strong password.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u>            * Management acknowledges this observation and has alleviated the issue with the assistance of OITS who has setup a Secure Shell (SSH) File Transfer Protocol (also known as Secure File Transfer Protocol or SFTP) site where the encrypted file can be copied to and retrieved by the Accountability Section.</p>	(2)	March 2015	Completed	✓ March 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Student Assessment Administrative Review - Phase 1, Issued March 2015 (continued)</b>		<b>Director of Assessment and Accountability Branch</b>		
<p><b>4. Lack of documentation of management's approval for multiple processes</b></p> <p><i>IA Recommendations:</i> Management should document their review and approval of all existing and new business rules. In addition, regulatory guidance in which business rules are based on should be documented with the business rule. Management's review and recommendation for acceptance or denial of all appeals should be documented. In addition, Superintendent's review and approval of Accountability Section's recommendation for approval or denial of all appeals should also be documented.</p> <p><i>Management's Corrective Action Plan Status:</i></p> <p><u>Completed</u></p> <ul style="list-style-type: none"> <li>* Business rules issues are being addressed through the SARV process.</li> <li>* Corrective action has been proposed and to be implemented in the next Strive HI process in September 2016.</li> </ul> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* Business rules that determine how student assessment results are handled are determined through SARV, a joint committee consisting of DGA, the Accountability and Assessment sections, as well as OITS-DMS. These business rules will be documented as well as any underlying regulatory guidance in which business rules are based. Business rules will be approved by a review body consisting of the section administrators representing each of the respective groups in SARV.</li> <li>* With the creation of the Office of Strategy, Innovation and Performance (OSIP), the final approval for the appeals has been delegated to the OSIP assistant superintendent. The approval of the final decision of the appeals will be documented with a written signature.</li> </ul>	(3)	July 2016	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Student Assessment Administrative Review - Phase 1, Issued March 2015 (continued)</b>		<b>Director of Assessment and Accountability Branch</b>		
<p><b>5. Untimely and incomplete reporting of students who were not tested</b></p> <p><i><b>IA Recommendations:</b></i> Management should have AIR include a field to input the reasons as to why students were not tested at the time of the scheduled test. This would eliminate the need for reports to be compiled by school. It would drastically increase the response rate to providing reasons why students were not tested. Further, it would notify schools of students who were not tested in a timely fashion such that untested students could take the test if desired. If Management is unable to have AIR include a field to input why students were not tested, the DOE should consider ways that they could report untested students timely to schools so inadvertently untested students can be tested. Management should also explore ways to increase the response rate to requests for explanations of untested students.</p> <p><i><b>Management's Corrective Action Plan Status:</b></i></p> <p><u>Completed</u></p> <ul style="list-style-type: none"> <li>* Functionality has been added to the online assessment system to capture non-tested reasons and is being implemented in the Spring 2016 testing.</li> </ul> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* Management is working with AIR to manage the testing status of all students (tested and untested) through its test management system. Schools will be provided with a screen on the TIDE system where test coordinators will document the reason for why a student was not tested. The ability of the Assessment Section to monitor the status of the field through the test management system will improve the response rate.</li> </ul>	(3)	March 2016	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Data Access Controls Review, Issued November 2014</b>		<b>Director of Enterprise Systems Branch and Director of Enterprise Infrastructure Svcs Branch</b>		
<p><b>1. Lack of proper monitoring over access controls</b></p> <p><i>IA Recommendations:</i> Management should work with OHR to develop an automated process to remove separated employees' access to respective systems. If business owners do not want an automated process, then business owners should be responsible for performing reviews on data access controls for their respective systems. Reminders should be sent out to the field to inform system administrators when separated employees no longer need access to respective systems. Reminders should be sent out to DOE sponsors to inform system administrators when consultants no longer need the access to the system. Business owners should notify system administrators to remove active users from the system if they receive no responses from the schools/offices regarding user access change requests. System administrators should periodically, on a test basis, check that active user accounts are valid. Periodic reviews should be performed by system administrators to trace access permissions to access request forms, monitor user/employee access levels, and identify misaligned access rights for Kronos. Management should develop policies and procedures for Kronos access controls and revisit these policies and procedures for any changes or updates. Management should enforce the proper completion of forms. Unique user IDs in FMS should be created in the system to accurately identify the users of the system.</p>				

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Data Access Controls Review, Issued November 2014 (continued)</b>				
<b>Director of Enterprise Systems Branch and Director of Enterprise Infrastructure Svcs Branch</b>				
<p><b>1. Lack of proper monitoring over access controls (continued)</b></p> <p><i>Management's Corrective Action Plan Status:</i></p> <p><u>Completed</u></p> <ul style="list-style-type: none"> <li>* The VPN Access Word form is on schedule to be converted to an on-line request system. Work flows for this process are being finalized with the on line application Service Now.</li> <li>* HR sends an automated data feed to OITS. New employee records have a record created in the Domino directory. Existing employee records with inactive status from an employee's separation papers have their Domino account disabled.</li> <li>* The automated HR feed to OITS inactivates separated employees access to systems that use LDAP or AD for authentication. On a weekly basis, the Data Management section of OITS/ESB monitors age of inactive records, and reminders are sent as needed to business owners associated to the employee's Domino record.</li> <li>* Personal intervention to remind system administrators of separated employees is needed only for systems not using LDAP or AD authentication, since those are independent of the automated HR feed to OITS that updates the Domino directory.</li> <li>* Schedule weekly execution of Security Audit Report - OITS/ESB Human Resources Applications Section runs a Security Audit Report every first business day of the week, to identify employees that have separated from DOE employment. OITS/ESB Branch Director reviews the Security Audit Report with the Branch secretary, to confirm that no employees or separated employees have unauthorized access to data systems.</li> </ul> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* The VPN Access Word form is on schedule to be converted to an on-line request system. Work flows for this process are being finalized with the on line application Service Now.</li> </ul>	(1)	<del>December 2015</del> June 2016 (1st Extension)	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Director of Enterprise Systems Branch and Director of Enterprise Infrastructure Svcs Branch</b>				
<b>Data Access Controls Review, Issued November 2014 (continued)</b>				
<p><b>2. Lack of data access control policies and procedures when employees separate from the DOE</b></p> <p><b>IA Recommendations:</b> Management should work with OHR to develop an automated process to remove separated employees' access to respective systems. If business owners do not want an automated process, then business owners should be responsible for performing reviews on data access controls for their respective systems. Management should provide guidance to the field to explain the process to remove separated employees from each respective system. Reminders should be sent out to the field stating that schools/offices are responsible for contacting each respective system administrator to remove access for separated and transferred employees. Management should create a standardized checklist for the field to track each respective system an employee is given access to.</p> <p><b>Management's Corrective Action Plan Status:</b>  <u>Completed</u></p> <ul style="list-style-type: none"> <li>* HR sends an automated data feed to OITS. New employee records have a record created in the Domino directory. Existing employee records with inactive status from an employee's separation papers have their Domino account disabled.</li> <li>* The automated HR feed to OITS inactivates separated employees access to systems that use LDAP or AD for authentication. On a weekly basis, the Data Management section of OITS/ESB monitors age of inactive records, and reminders are sent as needed to business owners associated to the employee's Domino record.</li> <li>* Personal intervention to remind system administrators of separated employees is needed only for systems not using LDAP or AD authentication, since those are independent of the automated HR feed to OITS that updates the Domino directory.</li> <li>* Schedule weekly execution of Security Audit Report - OITS/ESB Human Resources Applications Section runs a Security Audit Report every first business day of the week, to identify employees that have separated from DOE employment. OITS/ESB Branch Director reviews the Security Audit Report with the Branch secretary, to confirm that no employees or separated employees have unauthorized access to data systems.</li> </ul>	(2)	December 2015	Completed	✓ December 2015

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating 1	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Data Access Controls Review, Issued November 2014 (continued)</b>		<b>Director of Enterprise Systems Branch and Director of Enterprise Infrastructure Svcs Branch</b>		
<p><b>3. Inefficiencies result from requests to terminate user access through each respective system</b></p> <p><i>IA Recommendations:</i> Management should work with OHR and business owners to develop an automatic process to remove separated employees' access to respective systems without having schools/offices to contact each system the separated employee had access to.</p> <p><i>Management's Corrective Action Plan Status:</i> <u>Completed</u></p> <ul style="list-style-type: none"> <li>* HR sends an automated data feed to OITS. New employee records have a record created in the Domino directory. Existing employee records with inactive status from an employee's separation papers have their Domino account disabled.</li> <li>* The automated HR feed to OITS inactivates separated employees access to systems that use LDAP or AD for authentication. On a weekly basis, the Data Management section of OITS/ESB monitors age of inactive records, and reminders are sent as needed to business owners associated to the employee's Domino record.</li> </ul>	(3)	December 2015	Completed	✓ September 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating 1	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Payroll Review, Issued April 2014</b>		<b>Accounting Operations Specialist</b>		
<p><b>1. Inefficiencies and clerical errors resulting from manual processes</b></p> <p><i>IA Recommendations:</i> An integrated payroll system should be implemented to eliminate inefficiencies and clerical errors. For payroll overpayments, once an error is found, Payroll should immediately start the process to try and recover the overpayments. Management should periodically, on a test basis, check that vacation payouts are calculated accurately; check that overtime is calculated accurately; check that overtime classifications are coded properly; check that transferred employees do not receive paychecks from previous positions; and that all overtime forms are signed. Management should create policies and procedures on how to handle transferred employees. Payroll clerks should be reminded that overtime forms need to be signed by all required personnel prior to the process of overtime payments.</p> <p><i>Management's Corrective Action Plan Status:</i> <u>Completed</u></p> <ul style="list-style-type: none"> <li>* Payroll begins the overpayment recovery process as soon as possible, and as current workloads and the DAGS payroll deadlines permit.</li> <li>* The Operations staff is reviewing the vacation payout calculation by the third party contractor before paying out the vacation.</li> </ul>				

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating 1	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Payroll Review, Issued April 2014 (continued)</b>		<b>Accounting Operations Specialist</b>		
<b>1. Inefficiencies and clerical errors resulting from manual processes (continued)</b>				
<i>Management's Corrective Action Plan Status:</i>				
<u>Completed - continued</u>				
<ul style="list-style-type: none"> <li>* The Payroll Claims Supervisor is conducting periodic reviews on the accuracy of vacation payouts and overtime; and also that transferred employees do not receive paychecks from previous positions.</li> <li>* Discussion with OHR resulted in an inability to generate two (2) Form 5s for employee transfers due to limitations from OHR. However, the Payroll Claims Supervisor reminded the payroll staff to ensure proper routing of the Form 5 for an employee transfer within the DOE.</li> <li>* The Payroll Claims Supervisor reminded the Payroll Staff that all overtime forms (BP-2s) need to be signed by required personnel, and is doing periodic reviews.</li> <li>* Access granted for the ePCS from the Comptroller.</li> </ul>	(1)	December 2016 (Short-Term)  January 2018 (Long-Term)	Partially Completed	December 2015
<u>Outstanding</u>				
<ul style="list-style-type: none"> <li>* Short-Term: Complete system requirements and issue Request for Proposal (RFP), evaluate RFP proposal submissions, select vendor, review the fit/gap process to ensure vendor can meet the State's system requirements.</li> <li>* Long-Term: Complete personnel training and change management, launch system pilot and perform parallel payroll runs, implement and go live.</li> </ul>				

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Payroll Review, Issued April 2014 (continued)</b>		<b>Accounting Operations Specialist</b>		
<p><b>2. Lack of integration of payroll and other related systems</b></p> <p><i>IA Recommendations:</i> Management should move to an integrated system that allows payroll to be processed electronically and be able to communicate with other payroll related systems such as T&amp;A for leave absences and eHR for personnel data. Management should work with OHR to create a breakdown of what should be coded as teacher pay and what should be coded as differential pay. Payroll section should process new hire payroll as soon as they receive the Form 5. Management should investigate payroll processing delays and ensure that preventative measures are in place to mitigate the chances of the delay from reoccurring. Management should periodically, on a test basis, check that separation procedures were properly performed for separated employees. For payroll overpayments, once an error is found, Payroll should immediately start the process to try and recover the overpayments.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u></p> <ul style="list-style-type: none"> <li>* The Payroll Claims Supervisor is doing periodic reviews to ensure that a newly hired employee is paid timely and that separation procedures are properly performed for separated employees.</li> </ul>				

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Payroll Review, Issued April 2014 (continued)</b>		<b>Accounting Operations Specialist</b>		
<p><b>2. Lack of integration of payroll and other related systems (continued)</b></p> <p><i>Management's Corrective Action Plan Status:</i></p> <p><u>Completed - continued</u></p> <ul style="list-style-type: none"> <li>* Payroll begins the overpayment recovery process as soon as possible, and as current workloads and the DAGS payroll deadlines permit.</li> <li>* With the discontinuance of SURF and system limitation of eHR, the audit recommendation of creating a breakdown for differential pay cannot be implemented. Since there are no current accounting reporting requirements and the information needs for budget purposes can be provided by eHR, our recommendation is to continue using this workaround until a system change can be implemented.</li> <li>* Access granted for the ePCS from the Comptroller.</li> </ul> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* Short-Term: Complete system requirements and issue Request for Proposal (RFP), evaluate RFP proposal submissions, select vendor, review the fit/gap process to ensure vendor can meet the State's system requirements.</li> <li>* Long-Term: Complete personnel training and change management, launch system pilot and perform parallel payroll runs, implement and go live.</li> </ul>	(2)	<p>December 2016 (Short-Term)</p> <p>January 2018 (Long-Term)</p>	Partially Completed	December 2015

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Payroll Review, Issued April 2014 (continued)</b>		<b>Accounting Operations Specialist</b>		
<p><b>3. Priority payroll requests are excessive and avoidable</b></p> <p><i>IA Recommendations:</i> Management should create formalized guidelines and dollar thresholds regarding the use of priority payments. In addition, Complex Area Business Managers (CABM) should assist schools that repeatedly request for priority payments to help resolve the priority payment issue.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u></p> <p>* The Monthly Priority Pay and Priority Pay Summary Reports (attached) have been completed and forwarded for distribution.</p>	(3)	June 2014	Completed	✓ June 2014

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Leave Accounting Follow-Up Review, Issued January 2014</b>				
<b>OFS-Accounting Operations Specialist and OHR-Personnel Specialist</b>				
<p>1. <b>Lack of current and accessible leave and administrative policies and procedures</b>  <b>IA Recommendations:</b> OHR, in conjunction with OFS, should update leave policies and procedures (i.e. SPs) that align with the BU agreements, include responsibilities, and summarize the leave accounting rules. Consider implementing the Leave Accounting Reference Manual. Consider creating policies and procedures for requiring sign-in sheets for all employees and maintaining an employee leave file for all employees. Place these in a centralized location with contact information for questions and any changes should be updated directly on them to ensure that all information remains on one document. Training should be given to Administrators and Timekeepers once policies and procedures are updated.</p> <p><b>Management's Corrective Action Plan Status:</b>  <u>Completed</u></p> <ul style="list-style-type: none"> <li>* OHR distributed the Official Personnel Folders (OPF)/Employment-related Personnel Files (EPF) Reference Material to the schools/offices on July 2014. The manual recommended a separate employee leave file to be maintained by schools/offices.</li> <li>* A Leave of Absence module was developed and posted to the SASA Academy.</li> <li>* OHR created a centralized library of the School Code leave policy and procedures, along with the classified employees procedures and any subsequent leave memos on the DOE intranet.</li> </ul> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* Long-Term: The Leave Management Unit (LMU) will update a "Leave Accounting" training document with current leave information and procedures. This document will also include an updated sign-in/out sheet and Form 7 updates. They will work with OHR and HSOSA before they publish it.</li> <li>* Long-Term: OHR's SPs regarding leave policies will be finalized and issued.</li> </ul>	(1)	December-2014  December 2016 (Long-Term) (2nd Extension)	Partially Completed	December 2015

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
OFS-Accounting Operations Specialist and OHR-Personnel Specialist				
<b>Leave Accounting Follow-Up Review, Issued January 2014 (continued)</b>				
<p><b>2. Lack of oversight and monitoring at the school/office level</b></p> <p><b>IA Recommendations:</b> Management should update their "Timekeeper Checklist" with reminders about LWOP procedures and adjustments. Performing periodic monitoring of leave records by Principals/Administrators or CABMs. Consider enforcing a requirement for Timekeepers to issue Form 7s at least annually in accordance with the collective bargaining contracts. Consider reviewing staffing resources at the school/office level if the timekeeper is unable to perform their leave responsibilities. Consider developing accountability measures for schools/offices that do not update their leave records on a timely basis or create payroll overpayments. Training to Principals/Administrators and Timekeepers.</p> <p><b>Management's Corrective Action Plan Status:</b></p> <p><u>Completed</u></p> <ul style="list-style-type: none"> <li>* A Leave of Absence module was developed and posted to the SASA Academy.</li> <li>* The "Timekeeper Checklist" was updated with LWOP reminders and posted to the T&amp;A website.</li> <li>* Short-Term: A monthly report that is sent to DAGS was distributed to the CASs and ASs for review and follow-up on salary overpayments that resulted from schools and offices not updating their leave records on a timely basis.</li> </ul> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* Long-Term: The LMU will develop a plan to perform periodic reviews of leave records by CABMs and Administrators at the school/office level. In addition, the LMU will perform periodic reviews that will cover different aspects of leaves at the school/office level. These findings will be consolidated in one report for the CFO to present to leadership for corrective action by the schools/offices.</li> <li>* Long-Term: The LMU will update a "Leave Accounting" training document with current leave information and procedures. This document will also include an updated sign-in/out sheet and Form 7 updates. They will work with OHR and HSOSA before they publish it.</li> </ul>	(1)	<p><del>December 2014</del> December 2015 (Short-Term)</p> <p>December 2016 (Long-Term) (2nd Extension)</p>	Partially Completed	December 2015

Completed

Partially Completed

Outstanding – Not Overdue

Outstanding - Overdue

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<p><b>Leave Accounting Follow-Up Review, Issued January 2014 (continued)</b></p> <p style="text-align: right;">OFS-Accounting Operations Specialist and OHR-Personnel Specialist</p>				
<p><b>3. Need for a stronger tone at the top and greater accountability at the school/office level</b>  <i>IA Recommendations:</i> Management should perform periodic monitoring of leave records by Principals/Administrators or CABMs. Consider enforcing a requirement for Timekeepers to issue Form 7s at least annually in accordance with the collective bargaining contracts. Consider reviewing staffing resources at the school/office level if the timekeeper is unable to perform their leave responsibilities. Consider developing accountability measures for schools/offices that do not update their leave records on a timely basis and create payroll overpayments. Training to Principals/Administrators and Timekeepers to reinforce the rules, clarify inconsistencies/misunderstandings of the rules and to increase their awareness of common leave accounting findings.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u>            * A Leave of Absence module was developed and posted to the SASA Academy.            * Short-Term: A monthly report that is sent to DAGS was distributed to the CASs and ASs for review and follow-up on salary overpayments that resulted from schools and offices not updating their leave records on a timely basis.</p> <p><u>Outstanding</u>            * Long-Term: The LMU will develop a plan to perform periodic reviews of leave records by CABMs and Administrators at the school/office level. In addition, the LMU will perform periodic reviews that will cover different aspects of leaves at the school/office level. These findings will be consolidated in one report for the CFO to present to leadership for corrective action by the schools/offices.            * Long-Term: The LMU will update a "Leave Accounting" training document with current leave information and procedures. This document will also include an updated sign-in/out sheet and Form 7 updates. They will work with OHR and HSOSA before they publish it.</p>	(1)	<del>December 2014</del> December 2015 (Short-Term)  December 2016 (Long-Term) (2nd Extension)	Partially Completed	December 2015

Completed

Partially Completed

Outstanding – Not Overdue

Outstanding - Overdue

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Leave Accounting Follow-Up Review, Issued January 2014 (continued)</b>		OFS-Accounting Operations Specialist and OHR-Personnel Specialist		
<p>4. <b>Lack of Ownership, Monitoring and Accountability of the Leave Accounting Process</b>  <i>IA Recommendations:</i> ASs should meet to discuss responsibilities of each office regarding leave policies, procedures and monitoring. Perform periodic monitoring and testing of leave records by CABMs. Consider enforcing a requirement for Timekeepers to issue Form 7s at least annually in accordance with the collective bargaining contracts. Consider developing accountability measures for schools/offices that do not update their leave records on a timely basis and create payroll overpayments. Training to Administrators and Timekeepers. Enforce proper segregation of duties for timekeepers and system administrators.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u></p> <ul style="list-style-type: none"> <li>* OHR and OFS have agreed that OHR is responsible for leave policies and procedures and OFS is responsible for leave accounting procedures, which include leave audits and reconciliation.</li> <li>* A Leave of Absence module was developed and posted to the SASA Academy.</li> <li>* Proper segregation of duties was enforced so System Administrators don't have any data entry responsibilities in T&amp;A.</li> <li>* Short-Term: A monthly report that is sent to DAGS was distributed to the CASs and ASs for review and follow-up on salary overpayments that resulted from schools and offices not updating their leave records on a timely basis.</li> </ul>				

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<p>Leave Accounting Follow-Up Review, Issued January 2014 (continued) <span style="float: right;">OFS-Accounting Operations Specialist and OHR-Personnel Specialist</span></p>				
<p>4. <b>Lack of Ownership, Monitoring and Accountability of the Leave Accounting Process (continued)</b></p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Outstanding</u></p> <p>* Long-Term: The LMU will develop a plan to perform periodic reviews of leave records by CABMs and Administrators at the school/office level. In addition, the LMU will perform periodic reviews that will cover different aspects of leaves at the school/office level. These findings will be consolidated in one report for the CFO to present to leadership for corrective action by the schools/offices.</p> <p>* Long-Term: The LMU will update a "Leave Accounting" training document with current leave information and procedures. This document will also include an updated sign-in/out sheet and Form 7 updates. They will work with OHR and HSOSA before they publish it.</p>	(2)	<p>December-2014            December 2015            (Short-Term)</p> <p>December 2016            (Long-Term)            (2nd Extension)</p>	Partially Completed	December 2015

<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Data Integrity Review - Student Enrollment, Issued April 2013</b>		School Process and Analysis Branch Director		
<p>1. <b>Lack of oversight, monitoring and accountability at the DOE school level</b></p> <p><i>IA Recommendations:</i> Management may consider: mandatory training for all staff handling student enrollment and withdrawal functions, a training module in the SASA Academy related to Student Enrollment, periodic spot checks conducted by someone outside the schools, performance evaluations related to student enrollment and withdrawal functions and taking away overpaid funds with inaccurately recorded counts.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u></p> <ul style="list-style-type: none"> <li>* Memo was issued to address principal monitoring duties regarding enrollment, withdrawal, "No Show", attendance procedures and segregation of duties so that periodic monitoring is conducted.</li> <li>* The new Student Information System (SIS) may include some centralized monitoring functions to monitor attendance on a system-wide basis, with an emphasis on "no show" monitoring.</li> <li>* Based on discussions with OHR, performance evaluations are not feasible at this time due to negotiations with the Union.</li> <li>* Committee on Student Weights has not approved the taking away overpaid funding.</li> </ul> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* Online training modules for Enrollment and Withdrawal are being developed in coordination with SASA Academy. OCISS is working to address compliance issues in the training modules.</li> </ul>	(1)	<del>June 2015</del> April 2016 (1st Extension)	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Data Integrity Review - Student Enrollment, Issued April 2013 (continued)</b>		<b>School Process and Analysis Branch Director</b>		
<p>2. <b>Lack of current and comprehensive Student Enrollment and Withdrawal policies and procedures</b></p> <p><i>IA Recommendations:</i> Management may consider: updating and standardizing policies, procedures and forms for both student enrollment/withdrawal and proof of residency, centrally locating the policies, procedures and forms so they are accessible by all, training given to the field, periodically revisit and update policies and procedures for any changes, updating registrar's handbook and distribute a handbook to all schools.</p> <p><i>Management's Corrective Action Plan Status:</i></p> <p><u>Completed</u></p> <ul style="list-style-type: none"> <li>* The Reference Guide is posted on the new DOE-SPAS intranet, accessible to all staff.</li> <li>* A DOE memo, "Proof of Residence Required for Enrollment" has been distributed.</li> <li>* The Geographic Exceptions Request Form (CHP 13-1) has been revised to include a required review of proof of residence by school office staff.</li> <li>* A new standardized release form has been developed and was tested in eSIS.</li> <li>* Student Withdrawal Form (Certificate of Release) cannot be revised at this time due to conflicted with Hawaii State law and Federal FERPA laws.</li> </ul> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* The Enrollment and Withdrawal Processes and Procedures Manual is being revised.</li> <li>* Online training modules for Enrollment and Withdrawal are being developed in coordination with SASA Academy. OCISS is working to address compliance issues in the training modules.</li> </ul>	(1)	<del>June 2015</del> April 2016 (1st Extension)	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating 1	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Data Integrity Review - Student Enrollment, Issued April 2013 (continued)</b>		School Process and Analysis Branch Director		
<p>3. <b>Insufficient controls in the Student Enrollment and Withdrawal process</b></p> <p><i>IA Recommendations:</i> Management may consider: updating and standardizing policies, procedures, and forms to cover the entire process and address control weaknesses, centrally locating them, training given to the field, periodically revisit and update policies and procedures for any changes, updating registrar's handbook and distribute a handbook to all schools, develop a comprehensive definition of "enrollment," creating a training module in the SASA Academy, creating policies and procedures for segregation of duties and reviews conducted by DOE School Administrator.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u></p> <ul style="list-style-type: none"> <li>* The Reference Guide is posted on the new DOE-SPAS intranet, accessible to all staff.</li> <li>* Defined the following terms: "enrollment"; "Enrollment means a student has met all of the department's requirements for entrance and is formally placed on a school's roll."</li> <li>* The new SIS may include some centralized monitoring functions to provide periodic spot checking for accuracy.</li> </ul>				

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Data Integrity Review - Student Enrollment, Issued April 2013 (continued)</b>		<b>School Process and Analysis Branch Director</b>		
<p><b>3. Insufficient controls in the Student Enrollment and Withdrawal process (continued)</b>  <b>Management's Corrective Action Plan Status:</b>  <u>Completed-continued</u></p> <ul style="list-style-type: none"> <li>* A new standardized release form has been developed and was tested in eSIS.</li> <li>* Student Withdrawal Form (Certificate of Release) cannot be revised at this time due to conflicted with Hawaii State law and Federal FERPA laws.</li> <li>* Memo was issued to address principal monitoring duties regarding enrollment, withdrawal, "No Show", attendance procedures and segregation of duties so that periodic monitoring is conducted.</li> </ul> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* The Enrollment and Withdrawal Processes and Procedures Manual is being revised.</li> <li>* Online training modules for Enrollment and Withdrawal are being developed in coordination with SASA Academy. OCISS is working to address compliance issues in the training modules.</li> </ul>	(1)	<del>June 2015</del> April 2016 (1st Extension)	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Data Integrity Review - Student Enrollment, Issued April 2013 (continued)</b>		School Process and Analysis Branch Director		
<p>4. <b>Procedures not performed at the DOE school level and required forms and supporting documentation are not completed and/or retained</b></p> <p><i>IA Recommendations:</i> Management may consider: mandatory training required for all staff handling these functions, a training module included in the SASA Academy, periodic spot checks by someone outside the schools, performance evaluations related to student enrollment/withdrawal functions, overpaid funds are taken away during the second and third counts, reviews performed by schools Administrators to ensure forms are properly completed and attendance is properly taken, and revising and updating policies and procedures for proof of residency, geographic exceptions, and transfers.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u></p> <ul style="list-style-type: none"> <li>* A DOE memo, "Proof of Residence Required for Enrollment" has been distributed.</li> <li>* The Geographic Exceptions Request Form (CHP 13-1) has been revised to include a required review of proof of residence by school office staff.</li> </ul>				

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Data Integrity Review - Student Enrollment, Issued April 2013 (continued)</b>		School Process and Analysis Branch Director		
<p>4. <b>Procedures not performed at the DOE school level and required forms and supporting documentation are not completed and/or retained (continued)</b>  <i>Management's Corrective Action Plan Status:</i>  <u>Completed-continued</u>            * Based on discussions with OHR, performance evaluations are not feasible at this time due to negotiations with the Union.            * Committee on Student Weights has not approved the taking away overpaid funding.            * Memo was issued to address principal monitoring duties regarding enrollment, withdrawal, "No Show", attendance procedures and segregation of duties so that periodic monitoring is conducted.  <u>Outstanding</u>            * The Enrollment and Withdrawal Processes and Procedures Manual is being revised.            * Online training modules for Enrollment and Withdrawal are being developed in coordination with SASA Academy. OCISS is working to address compliance issues in the training modules.</p>	(1)	<del>June 2015</del> April 2016 (1st Extension)	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Data Integrity Review - Student Enrollment, Issued April 2013 (continued)</b>		School Process and Analysis Branch Director		
<p>5. <b>Process inefficiencies where multiple forms serve the same purpose</b></p> <p><i>IA Recommendations:</i> Management may consider: updating policies and procedures, training to the field, consolidating "Student's Certificate of Release" Form 211 into one form, and either Form 211 or "Request for Release Form" should be eliminated as both serves the same purpose.</p> <p><i>Management's Corrective Action Plan Status:</i></p> <p><u>Completed</u></p> <ul style="list-style-type: none"> <li>* The Reference Guide is posted on the new DOE-SPAS intranet, accessible to all staff.</li> <li>* A new standardized release form has been developed and was tested in eSIS.</li> <li>* Student Withdrawal Form (Certificate of Release) cannot be revised at this time due to conflicted with Hawaii State law and Federal FERPA laws.</li> </ul> <p><u>Outstanding</u></p> <ul style="list-style-type: none"> <li>* Online training modules for Enrollment and Withdrawal are being developed in coordination with SASA Academy. OCISS is working to address compliance issues in the training modules.</li> </ul>	(3)	<del>June 2015</del> April 2016 (1st Extension)	Partially Completed	December 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Leave Data &amp; Timekeeping Process Review, Issued March 2010</b>				<b>Accounting Director</b>
<p>1. <b>Lack of current, accessible leave and administrative policies</b>  <i>IA Recommendations:</i> Align leave policies and procedures with the Bargaining Unit (BU) agreements, summarize with the different leave accounting rules, and describe employee responsibilities. Ensure these policies and procedures are accessible to employees and all employees are notified of updates.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u></p> <ul style="list-style-type: none"> <li>* Policies and procedures were aligned with Bargaining Unit agreements and updates to the leave codes were issued to the field in June 2011.</li> <li>* SASA Academy course 4, Human Resources Module 11 included Leave Policies for Bargaining Unit contracts and DOE policies. These instruction materials were be placed on the DOE Intranet for all employees to access.</li> </ul>	(1)	March 2014 December 2014 (3rd Extension)	Completed	✓ Dec 2014
<p>2. <b>Lack of useful tools and processes to ensure success</b>  <i>IA Recommendations:</i> OFS in conjunction with OHR should develop a checklist for timekeepers that summarized the necessary tasks to be completed at each pay period.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u></p> <ul style="list-style-type: none"> <li>* Checklists were developed and included in the Time and Attendance User Manual. Also a "Timekeeper Error Correction Guide" was developed and disseminated.</li> </ul>	(2)	June 2012	Completed	✓ April 2013

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Leave Data &amp; Timekeeping Process Review, Issued March 2010 (continued)</b>				<b>Accounting Director</b>
<p><b>3. Need for mandatory and effective Timekeeper training</b>  <i>IA Recommendations:</i> Develop training for timekeepers that include but not limited to technical issues, clearly articulated roles, responsibilities, accountability, and reviews of complex processes. Training should be designed by representatives from OHR, Payroll, OITS, and Leave Accounting to ensure methodologies are aligned.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u>            * Comprehensive training was developed with representatives from OHR, OFS Payroll/Leave Accounting and OITS. Statewide training was conducted, including in-person sessions on Oahu and videoconference regional sessions to the Neighbor Islands.</p>	(2)	June 2011	Completed	✓ April 2013
<p><b>4. Need for an appropriate tone at the top and greater employee accountability</b>  <i>IA Recommendations:</i> Develop policies related to leave requests, overtime and compensatory time off, and alternative work schedules. These items should be included in the training for all leaders and timekeepers.</p> <p><i>Management's Corrective Action Plan Status:</i>  <u>Completed</u>            * Comprehensive training was developed with representatives from OHR, OFS Payroll/Leave Accounting and OITS. Statewide training was conducted, including in-person sessions on Oahu and videoconference regional sessions to the Neighbor Islands.            * Management issued directives to the field regarding leave of absences, leave without pay, payroll overpayments and retirement procedures.</p>	(1)	May 2012	Completed	✓ April 2013

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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<sup>1</sup> See page 7 for definitions of Audit Ratings.



## Internal Audit Recommendation Status (continued)

The following represents the status of IA observations and recommendations from previous reports issued.

Audit Comment	Audit Rating <sup>1</sup>	Target Date	Status of Management's Corrective Action Plan	IA ✓
<b>Leave Data &amp; Timekeeping Process Review, Issued March 2010 (continued)</b>				<b>Accounting Director</b>
<p>5. <b>Timekeeping system (T&amp;A) not meeting certain business objectives</b></p> <p><i>IA Recommendations:</i> Develop proper controls to prevent issues related to a lack of system controls and improper segregation of duties. If proper controls cannot be implemented due to system limitations, then these limitations should be communicated to the field so errors can be avoided. A review of T&amp;A's programmed calculations should be performed immediately to ensure that any other issues regarding miscalculations or misalignments with BU rules are addressed.</p> <p><i>Management's Corrective Action Plan Status:</i></p> <p><u>Completed</u></p> <p>* Due to system limitations, the suggested controls cannot be implemented until a new system is in place. In the meantime, OITS has created and posted a leave calendar tool for proration of yearly accruals on the T&amp;A website and management has also posted a "Timekeeper Checklist" and the SASA Academy course 4, Human Resources Module 11 which includes leave policies and procedures regarding accruals.</p> <p><u>Outstanding</u></p> <p>* As of March 2015, the State decided to not go forward with the ERP initiative. As of current, the State Comptroller has informally indicated that they want to pursue a new payroll system first by replacing the DAGS payroll system and then address the Time and Attendance phase after.</p>	(2)	New Leave System: <del>2014</del> Dec 2017 (2nd Extension)	Partially Completed	September 2015

Completed	Partially Completed	Outstanding – Not Overdue	Outstanding - Overdue
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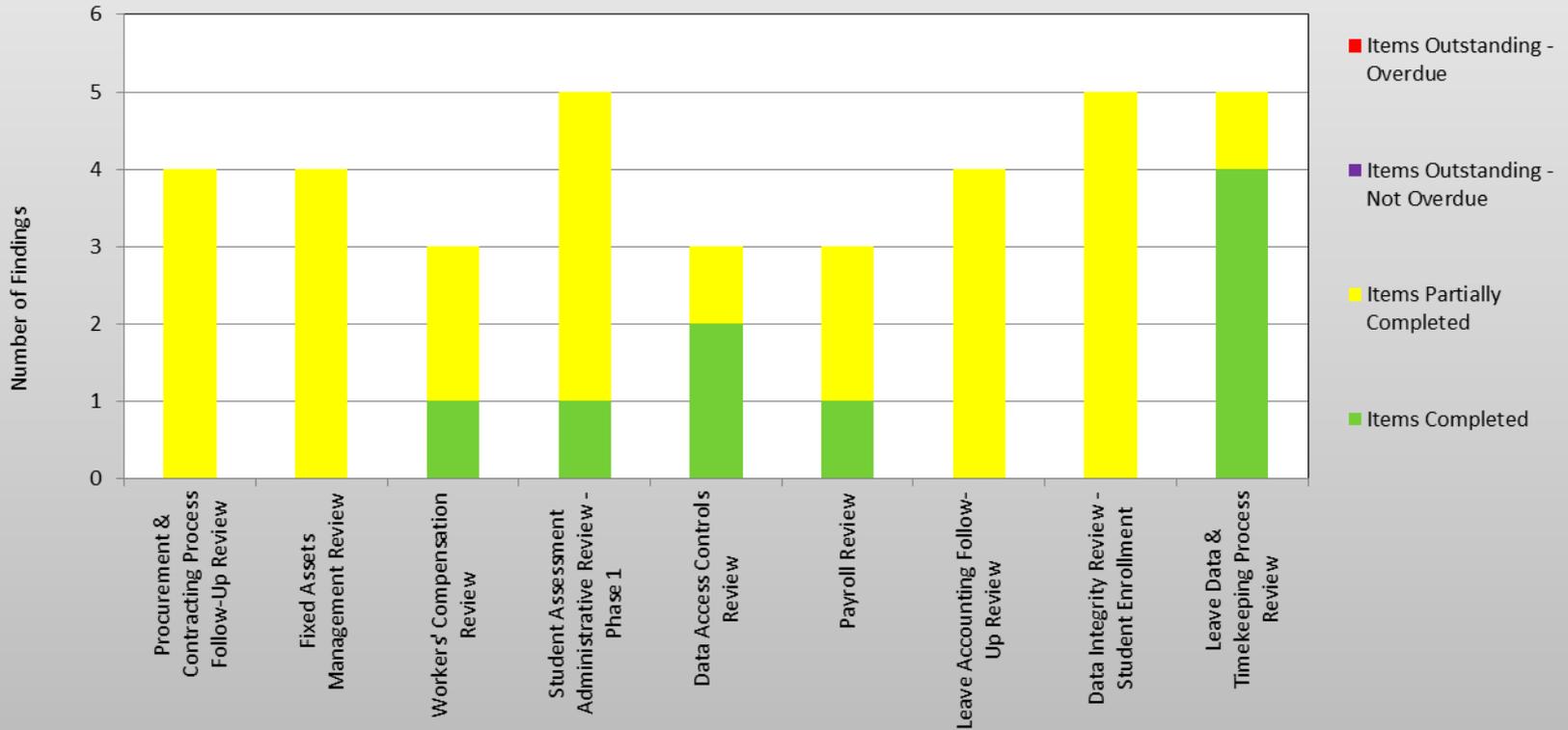
<sup>1</sup> See page 7 for definitions of Audit Ratings.



# Management Action Plan Completion Status

## Completion Status

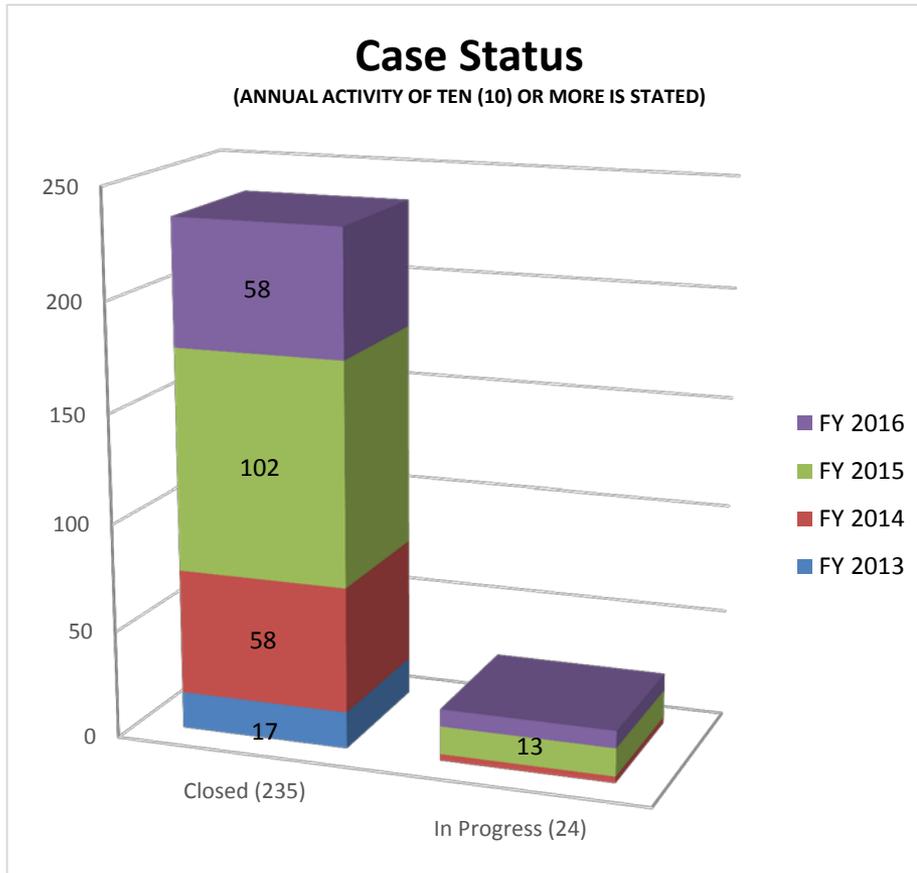
As of December 31, 2015





# Fraud & Ethics Hotline Summary

Hotline: All Cases Inception (May 1, 2013) through December 31, 2015



- A total of 259 cases were received.
  - 235 cases are closed, and 24 are in progress.
- Summary of Cases by Fiscal Year (FY):
  - All 17 cases from FY 2013 are closed.
  - 3 of the 61 cases from FY 2014 are still in progress.
  - 13 of the 115 cases from FY 2015 are still in progress.
  - 8 of the 66 cases from FY 2016 are still in progress.



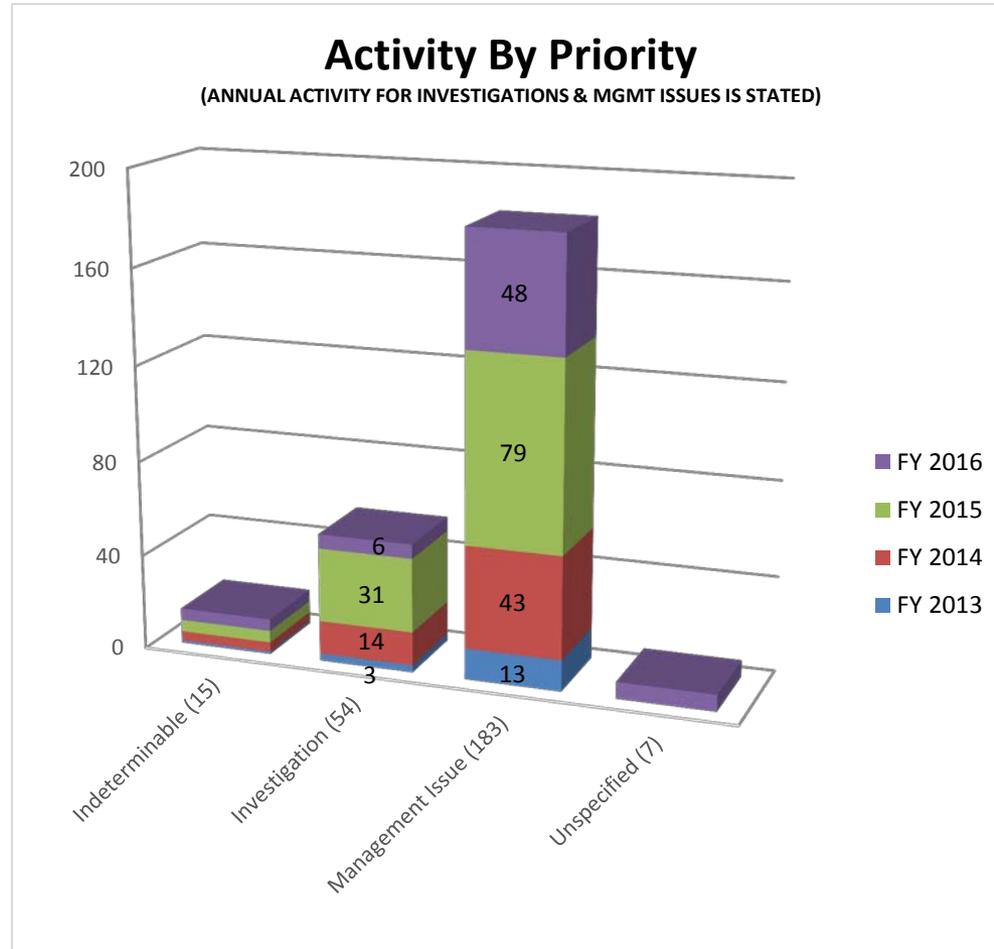
## Fraud & Ethics Hotline Summary (continued)

Case Assignments by Location**					
DOE Complex Areas	FY 2013	FY 2014	FY 2015	FY 2016	Total # of Cases
Honolulu: Farrington Kaiser Kalani	1	11	14	4	30
Hawaii: Hilo Waiakea	3	5	7	1	16
Central: Leilehua Mililani Waialua	2	4	6	3	15
Honolulu: Kaimuki McKinley Roosevelt	2	4	2	5	13
Hawaii: Honokaa Kealakehe Kohala Konawaena	0	3	6	3	12
Central: Aiea Moanalua Radford	1	0	6	4	11
Maui: Baldwin Kekaulike Maui	0	0	9	2	11
Maui: Hana Lahainaluna Lanai Molokai	0	3	3	5	11
Hawaii: Kau Keaau Pahoa	0	0	8	2	10
Leeward: Nanakuli Waianae	2	1	3	2	8
Leeward: Pearl City Waipahu	1	2	4	1	8
Windward: Kailua Kalaheo	0	1	4	3	8
Leeward: Campbell Kapolei	0	2	4	1	7
Windward: Castle Kahuku	0	2	1	4	7
Kauai: Kapaa Kauai Waimea	0	1	2	2	5
DOE Offices	FY 2013	FY 2014	FY 2015	FY 2016	Total # of Cases
Office of the Superintendent	0	5	11	2	18
OHR Investigation Unit	2	6	8	1	17
Internal Audit	2	1	3	3	9
Office of Human Resources	0	3	3	2	8
Office of School Facilities and Support Services	0	3	3	1	7
Office of Information Technology Services	1	0	1	0	2
Office of Curriculum, Instruction and Student Support	0	0	1	0	1
Other	FY 2013	FY 2014	FY 2015	FY 2016	Total # of Cases
Charter School Liaison	0	2	3	9	14
N/A - Case Not Assigned (Indeterminable)	0	2	3	6	11
<b>Grand Total</b>	<b>17</b>	<b>61</b>	<b>115</b>	<b>66</b>	<b>259</b>

\*\* Numbers reflect the cases managed by each complex area and office listed.

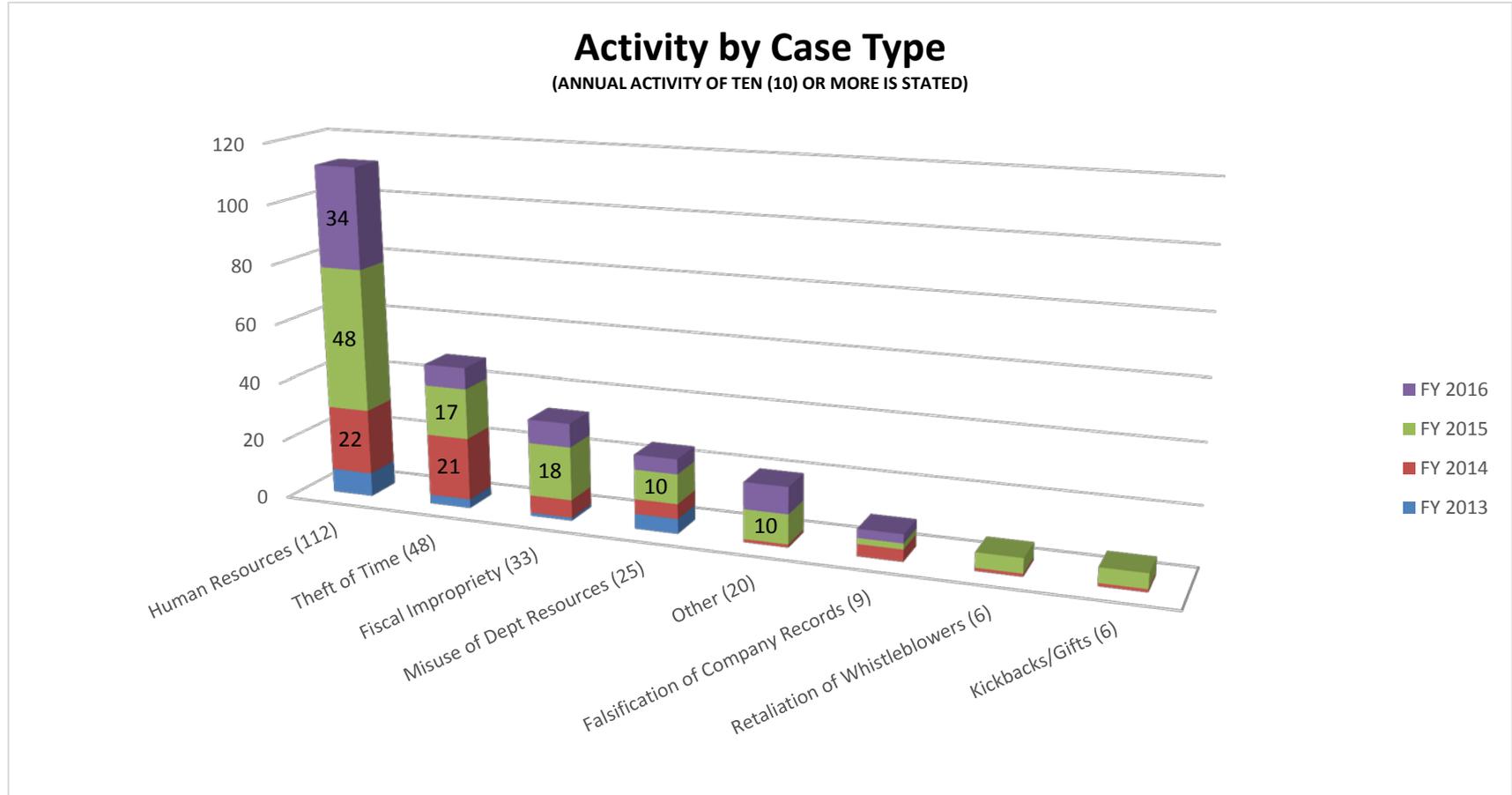


## Fraud & Ethics Hotline Summary (continued)



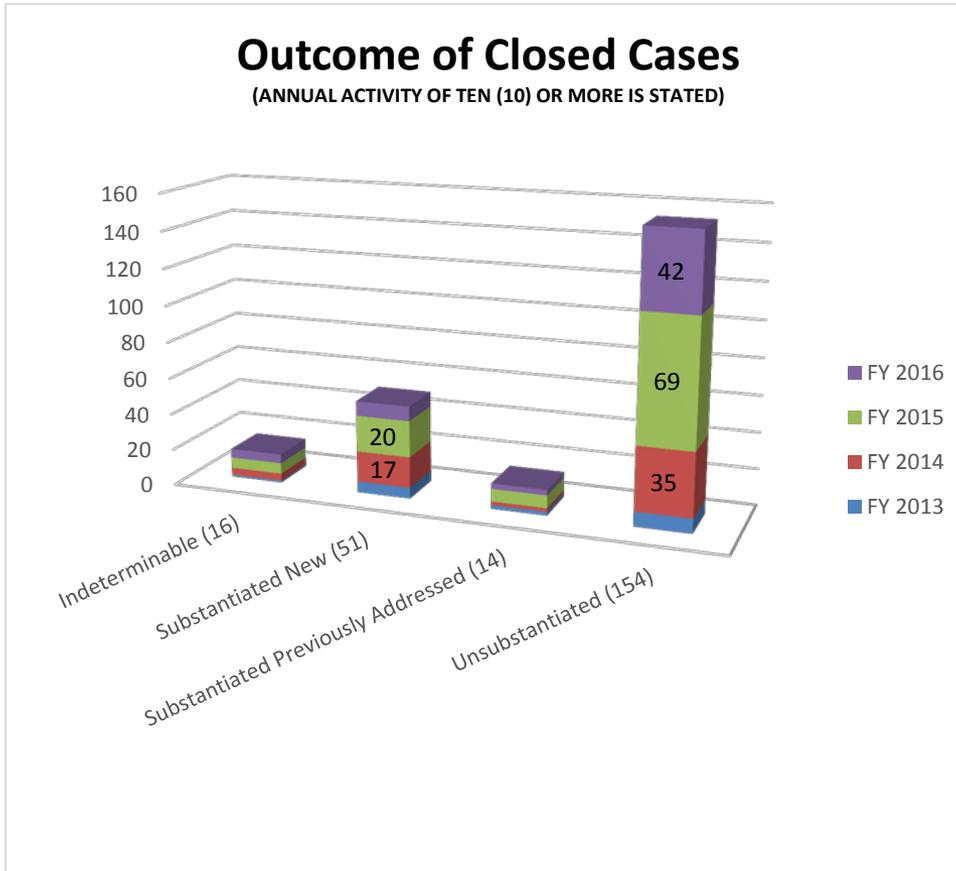


## Fraud & Ethics Hotline Summary (continued)





## Fraud & Ethics Hotline Summary (continued)



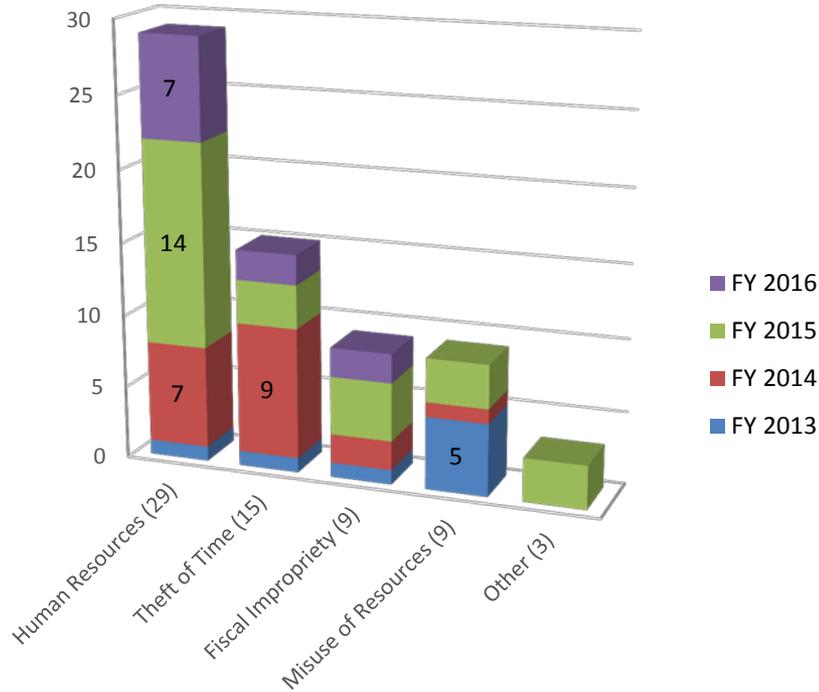
- Of the 235 closed cases, 65 were substantiated, 154 were unsubstantiated and the remaining 16 were indeterminable.
- The primary issues in the substantiated cases were Human Resource issues (29 cases) followed by Theft of Time (15 cases).  
(See the next page for “Case Types of Closed Substantiated Cases”)



## Fraud & Ethics Hotline Summary (continued)

### Case Types of Closed Substantiated Cases

(ANNUAL ACTIVITY OF FIVE (5) OR MORE IS STATED)



### Disposition of Closed Substantiated Cases

(ANNUAL ACTIVITY OF FIVE (5) OR MORE IS STATED)

