

Alexandria City Public Schools Functional Performance Audit Presentations

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Presented By:

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- Introductions
- Procurement Audit
- Payroll Audit
- Facilities Audit

Introductions

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- Greg Gibson – Project Director
- Cheyanne Rolf – Program Manager
- Subcontractors:
 - John Edwards, FEA – Facilities Management



Audit of the Procurement Function

Procurement Audit Background

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- Audit conducted from August 2016 – March 2017
- Analyzed all procurement functions as well as other departments that play a role in procurement process.
- Audit resulted in 4 commendations and 21 recommendations

Procurement Audit - Commendations

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- The ACPS Procurement Department won the Achievement of Excellence in Procurement (AEP) award from the National Procurement Institute (NPI) in 2016.
- Professional development is a high priority within the department.
- The department is making strides towards becoming more efficient through the automation of several key processes.
- The department has invested in the training of end users involved in the procurement process.

Procurement Audit - Recommendations

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- **Supplement existing performance measures. (1 – High Priority)**
 - Hold department accountable for effectiveness and efficiency.
- **Scan and maintain all procurement and contract files electronically. (4 – High Priority)**
 - Department maintains hard copy files for every competitive solicitation.
 - Should consider a document management system.
- **Maximize the use of Division resources to electronically receive vendor responses to competitive solicitations. (5 – High Priority)**
 - Vendors must currently mail hard copy bids. This requires vendors to send responses early and sometimes causes unexpected delays.

Procurement Audit - Recommendations

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- **Document the evaluations of ITBs. (11 – High Priority)**
 - Audit team identified an ITB that was awarded to unresponsive bidder.
 - Complete documentation was not provided by bidder and incorrect product numbers were written.
- **Increase use of state online system for obtaining quotes. (12 – High Priority)**
 - To increase efficiency of process ACPS should solicit quotes for purchases less than \$100,000.
- **Utilize electronic forms to increase efficiency and enhance approval and record keeping processes. (20 – high priority)**
 - Currently several hard copy forms within the Department that are physically routed, scanned or emailed.

Procurement Audit - Recommendations

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No.	Priority	Recommendation
1	High	Supplement existing performance measures.
2	Medium	Conduct a spend analysis on a quarterly basis.
3	Low	Update Procurement Department job descriptions to accurately reflect the roles and responsibilities of the positions.
4	High	Scan and maintain all procurement and contract files electronically.
5	High	Maximize the use of Division resources to electronically receive vendor responses to competitive solicitations.
6	Medium	Improve the proposal evaluation process.
7	Low	Retain the actual advertisements of solicitations in the procurement files.
8	Medium	Retain documentation in procurement files of the date and time vendor responses are received by the Division.

Procurement Audit - Recommendations

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No.	Priority	Recommendation
9	Medium	Digitize the ITB/RFP checklists and enforce their use.
10	Medium	Conduct customer surveys upon completion of each competitive solicitation.
11	High	Document the evaluations of ITBs.
12	High	Increase use of state online system for obtaining quotes.
13	Medium	Enhance procedures for vendor creation and maintenance in the MUNIS system.
14	Medium	Implement the use of the MUNIS automatic email functionality to send POs to vendors.
15	Medium	Perform analysis to better understand the root cause of improperly issued purchase orders and implement control procedures to eliminate them.
16	Medium	Implement control procedures to better monitor the use of blanket purchase orders.

Procurement Audit - Recommendations

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No.	Priority	Recommendations
17	High	Ensure that procurement file documentation validates policy compliance.
18	Medium	Increase controls over the maintenance of MUNIS user access levels.
19	Low	Implement departmental review procedures for the modification of MUNIS system workflow.
20	High	Utilize electronic forms to increase efficiency and enhance approval and record keeping processes.
21	High	Secure procurement files to ensure confidentiality and reduce the possibility of lost records.



Audit of the Payroll Function

Payroll Audit Background

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- Audit conducted from May 2017 – October 2017.
- Scope included all processes involved in paying an employee after they are hired.
- Audit resulted in 11 recommendations.

Payroll Audit - Recommendations

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- **Evaluate opportunities to streamline the payroll process. (1 – High Priority)**
 - Efficiency prohibited due to lack of system integration.
 - Use of manual timesheets contributes to inefficiency.

- **Implement controls to eliminate late time reporting. (7 – High Priority)**
 - Payroll procedures manual states all employees are required to enter time through TCP.
 - Timesheets are being submitted late and in large batches.
 - Contributes to unnecessary variances in payroll.

Payroll Audit - Recommendations

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- **Enhance supervisory review procedures for all payout calculations. (9 – High Priority)**
 - Payout calculations are completed manually and are spot checked for accuracy.
 - Testing found inaccurate calculations during testing.

- **Implement controls to ensure that all employees who receive a monetary supplement for middle school and club sports assignments receive separate contracts executed by the School Board, as outlined by School Board Policy. (11 – High Priority)**
 - Testing revealed middle school and club sports were not receiving separate contracts.

Payroll Audit - Recommendations

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No.	Priority	Recommendation
1	High	Evaluate opportunities to streamline the payroll process.
2	Medium	Conduct an analytical review of all overtime, including historical trends and extra duty hours, to ensure appropriateness.
3	Low	Require all employees to enroll in direct deposit.
4	Low	Implement performance measures to monitor the payroll function's efficiency.
5	Low	Update the division payroll manual to reflect all current procedures.
6	Medium	Reduce the number of off-cycle payroll runs/warrants.

Payroll Audit - Recommendations

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No.	Priority	Recommendation
7	High	Implement controls to eliminate late time reporting.
8	Medium	Implement controls to ensure that stop payment orders are implemented for all checks that are reissued.
9	High	Enhance supervisory review procedures for all payout calculations.
10	Medium	Implement controls to consistently record coaching compensation and student activity stipend pay under related pay types within MUNIS.
11	High	Implement controls to ensure that all employees who receive a monetary supplement for middle school and club sports assignments receive separate contracts executed by the School Board, as outlined by School Board Policy.



Department of Educational Facilities Audit

Facilities Audit Background

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- Audit conducted from April to August 2017
- Scope of audit included facilities planning and management, facilities maintenance, custodial services, and grounds management
- Audit resulted in 5 commendations, 10 findings, and 10 recommendations

Facilities Audit - Commendations

- The Department has a comprehensive Long-Range Educational Facilities Plan that addresses ACPS' capacity needs.
- ACPS has a dedicated position responsible for the management and oversight of contracted custodial operations.
- The majority of custodians are staffed during the nighttime, which is best practice.
- The Educational Facilities department has established cleanliness standards, cleaning frequency standards, and procedural standards, and routinely monitors schools to ensure that they are adhered to.
- Grounds upkeep services operate efficiently and effectively.

Facilities Audit - Recommendations

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- **Develop a comprehensive, long-term school facilities management plan (1 – High Priority)**
 - Companion document to the Long-Range Educational Facilities Plan
 - Should focus on non-capacity capital renewal, major repairs, deferred maintenance reduction, and preventive maintenance actions that will preserve the value of ACPS facility assets

- **Institute a formal quality assurance oversight system for review of contracted facility maintenance and repair services (3 – High Priority)**
 - Important because the ACPS service delivery model relies heavily on contracted service providers for maintenance and repair
 - Parallels the current quality assurance approach for custodial, pest control, and grounds maintenance services

Facilities Audit - Recommendations

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- **Enhance the use of SchoolDude to improve maintenance management and efficiency (4 – Medium Priority)**
 - Will improve management’s ability to effectively oversee and manage the full spectrum of its maintenance work.
 - Steps should be taken to create records for all major maintainable assets, plan and schedule preventive maintenance, and account for all contractor work.
 - Enhancements to *SchoolDude* would help with implementing Recommendations 1, 2, 3, 5 and 6.

- **Implement a system to proactively communicate with school principals about facility maintenance activities and issues (6 – High Priority)**
 - Emphasize understanding customer needs, setting clear expectations for performance, and proactively communicating about work in progress.
 - Provide structured reports monthly to principals and assess customer satisfaction annually.

Facilities Audit - Recommendations

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- **Continue with the Department's long-term plan to reduce in-house custodial operations through attrition, and re-evaluate the cost structures of contracted service providers (8 – Low Priority)**
 - Reduce variations in cost per square foot and cost per student.
 - Conduct further analysis to better understand the drivers of those cost differences at contract schools and whether or not they are warranted.

- **Have ACPS custodians and Building Engineers report centrally to the Building Services Manager rather than to school principals (9 – Medium Priority)**
 - Allows for more autonomy and greater flexibility to ensure that staff are allocated efficiently and equitably across schools.

Facilities Audit - Recommendations

No.	Priority	Recommendation
1	High	Develop a comprehensive, long-term school facilities management plan.
2	Low	Refine and expand key performance indicators (KPIs) and metrics for facilities management.
3	High	Institute a formal quality assurance oversight system for review of contracted facility maintenance and repair services.
4	Medium	Enhance the use of the SchoolDude to improve maintenance management and efficiency.
5	Medium	Establish a Work Controller position (in-house or contracted) dedicated to work management oversight and reporting.
6	High	Implement a system to proactively communicate with school principals about facility maintenance activities and issues.
7	Medium	Designate an Energy Manager and establish an Energy Management Program.

Facilities Audit - Recommendations

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No.	Priority	Recommendation
8	Low	Continue with the Department's long-term plan to reduce in-house custodial operations through attrition, and re-evaluate the cost structures of contracted service providers.
9	Medium	Have ACPS custodians and Building Engineers report centrally to the Building Services Manager rather than to school principals.
10	Medium	Reduce custodial FTE at non-contract schools to bring workloads more in line with industry standards for staffing efficiency at all schools.