

# Implementation of Recommendations

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**October 2019**

WCCUSD Facilities and Operations  
Forensic Audit Investigation Report  
<http://www.wccusd.net/audit>



## **Implementation Task Force Members:**

- Matthew Duffy, Superintendent
- Luis Freese, Associate Superintendent, Operations
- Margarita Romo, Internal Auditor
- Melissa Payne, Director of Contracts
- vacant, Solutions Team Member
- Cameron Moore, Citizens' Bond Oversight Committee Member
- Tony Wold, Associate Superintendent, Business Services

# Background



- ◀ **VLSFAI** - On September 21, 2016, the Board accepted the Vicenti, Lloyd & Stutzman, LLP Forensic Accounting Investigation (VLSFAI) Phase II Report, which offered 112 recommendations to improve management and oversight of WCCUSD's bond program. Some recommendations were assigned high, medium, or low-risk designations.



- ◀ **Implementation Task Force** - An implementation task force comprised of district staff and representatives of key stakeholders was created to develop and monitor the plan for implementing recommendations. The Implementation Task Force meets quarterly and provides quarterly updates to the Facilities Subcommittee and semi-annual updates to the Board of Education.



- ◀ **Matrix of Recommendation** - The Matrix of Recommendations summarizes the 112 recommendations from the VLSFAI Phase II Report, reports the status of implementation, and includes a section for measured deliverables. The updated Matrix is presented quarterly to report the status and progress of recommendations.



- ◀ **Recommendation Work Plans** - The Recommendation Work Plans document the implementation and verification of the 112 recommendations resulting from the VLSFAI Phase II Report. All recommendations will have an individual work plan providing key implementation information and updates.

# Independent Review of Implementation



To maintain transparency and accountability, the District is committed to independent review of the implementation of recommendations



**Moss Adams, LLC Forensic Accounting Investigation Implementation Review** - On October 18, 2017, the Board of Education approved a contract with Moss Adams, LLC to conduct a third-party independent review of the implementation of the VLSFAI recommendations. The scope of the contract provided for two phases:

- ◀ **Phase 1:** From November 2017 - March 2019, Moss Adams reviewed 62 recommendations that the District deemed implemented as of June 30, 2017. Each recommendation was reviewed and designated as “Implemented and Verified”, “Partially Implemented”, “Not Implemented”, or “Undetermined”.
- ◀ **Phase 2:** Moss Adams will review the remaining 50 recommendations. Phase 2 will begin when the District identifies all recommendations as implemented. Currently, the anticipated implementation of all recommendations is scheduled for June 2020.

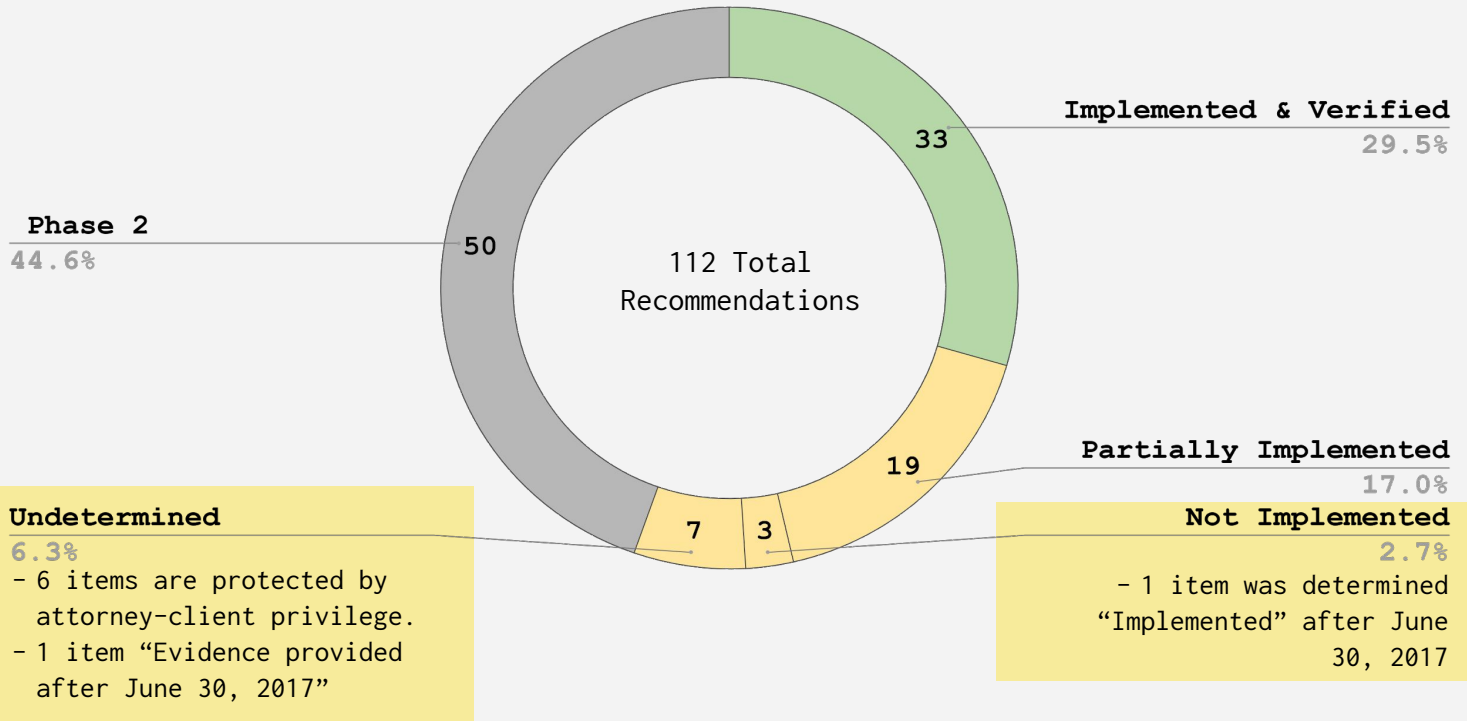


**Internal Auditor Review** - The District’s Internal Auditor (IA) will independently review the implementation of recommendations in a timely manner. The IA will review and verify the VLSFAI recommendations upon implementation by the District.

# Moss Adams Review Phase 1 Results – March 2019



The Internal Auditor will review and verify all outstanding Phase 1 recommendations.



# Additional Resources to Support Implementation: Colbi Implementation



Colbi provides program and project financial management and reporting software.

## Bond Program Site Budget Status Report

West Contra Costa Unified School District Printed 10/24/2019

**Consolidated Budget Status Report**  
Budgets versus Commitments and Expenditures for Multiple Projects

Budget vs. Commitments and Expenditures

School/Project Name	Budget	Commitments		Expenditures	
	Total Budget	Total Commitments	% Budget Committed	Total Expenditures	% Budget Spent
<b>3 Pinole Valley High School</b>					
* Campus Replacement	156,497,205	150,514,550	96.2%	145,582,591	93.0%
* Fields/Sitework	17,173,016	28,100	0.2%	-	0.0%
* Interim Campus Demo	3,715,310	3,631,524	97.7%	3,441,572	92.6%
* Site Design	17,926,216	17,926,214	100.0%	16,739,593	93.4%
Detention Basin and Paving	3,517,521	3,517,521	100.0%	3,517,521	100.0%
Existing Building Demolition	2,511,397	2,511,397	100.0%	2,511,397	100.0%
Hillside Stabilization	2,199,821	2,199,821	100.0%	2,199,821	100.0%
Interim Campus	8,796,248	8,796,248	100.0%	8,796,248	100.0%
Legacy Furniture & Equipment	36,520	36,520	100.0%	36,520	100.0%
Legacy Program Cost	696,938	696,938	100.0%	696,938	100.0%
Legacy Restroom Renovation	167,601	167,601	100.0%	167,601	100.0%
Legacy Technology	37,165	37,165	100.0%	37,165	100.0%
Legacy Track	1,676,771	1,676,771	100.0%	1,676,771	100.0%
Off Site Parking and Traffic	1,240,584	1,240,584	100.0%	1,240,584	100.0%
Video Surveillance System	357,268	357,268	100.0%	357,268	100.0%
<b>Totals</b>	<b>216,549,580</b>	<b>193,338,321</b>	<b>89.3%</b>	<b>187,001,589</b>	<b>86.4%</b>

## Bond Program Project Budget Report

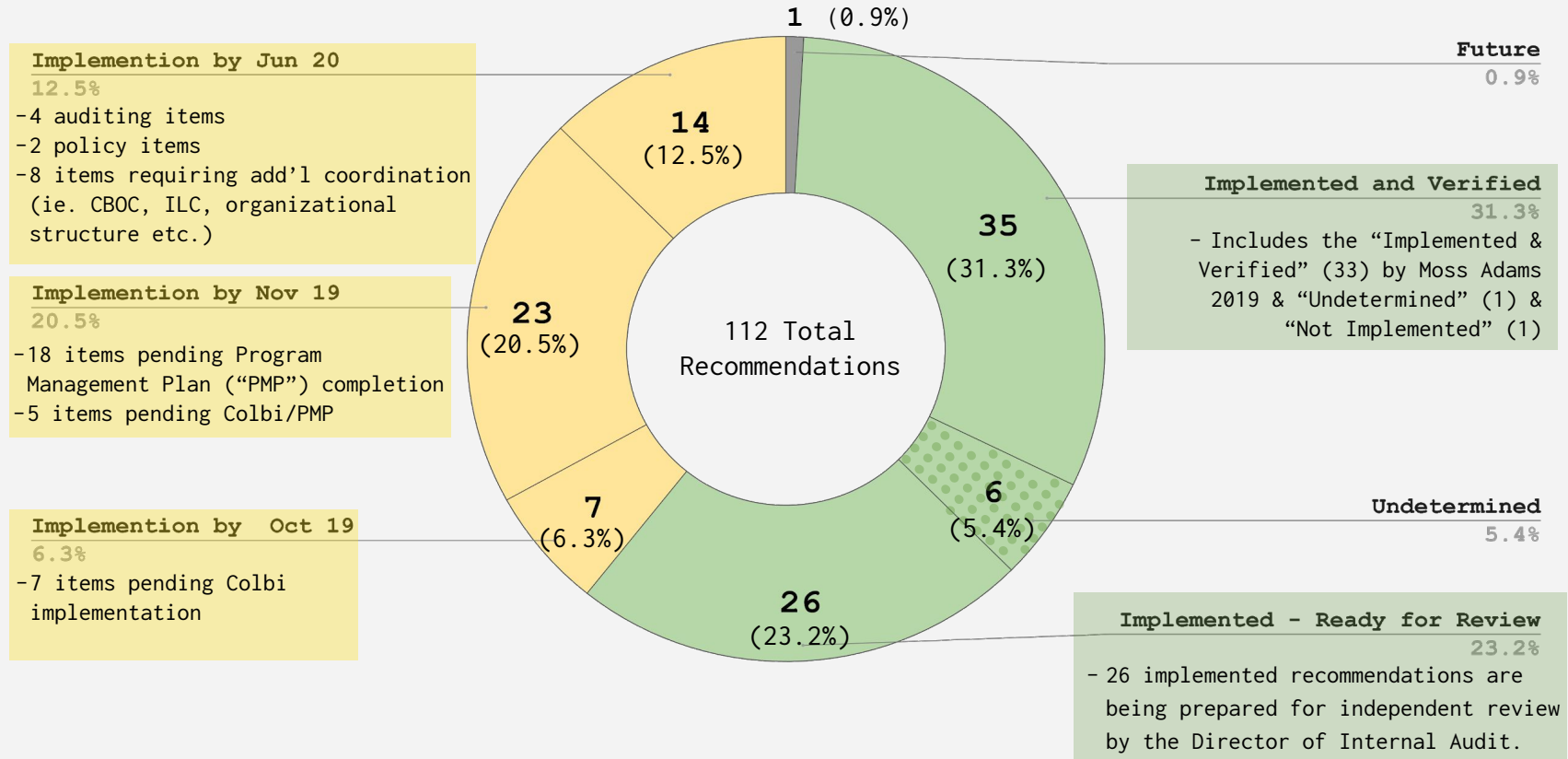
West Contra Costa Unified School District Printed 10/23/2019

**Budget Status Report**  
Budget versus Commitments and Expenditures

3 Pinole Valley High School - \* Campus Replacement

Budget Group/Object Code	Budget	Commitments		Expenditures	
	Total Budget	Total Commitments	% Budget Committed	Total Expenditures	% Budget Spent
<b>A - Site</b>					
6190 - Other Costs - Site	311,879	306,879	98.4%	302,036	96.8%
<b>Totals</b>	<b>311,879</b>	<b>306,879</b>	<b>98.4%</b>	<b>302,036</b>	<b>96.8%</b>
<b>B - Planning</b>					
6203 - Design Manager	71,902	71,902	100.0%	71,902	100.0%
6205 - DSA Fees	961,353	559,353	58.2%	559,353	58.2%
6207 - Other Costs - Planning	2,293,320	2,272,616	99.1%	2,157,992	94.1%
<b>Totals</b>	<b>3,326,575</b>	<b>2,903,871</b>	<b>87.3%</b>	<b>2,789,248</b>	<b>83.8%</b>
<b>C - Construction</b>					
6211 - Main Construction Contractor	139,888,942	134,833,089	96.4%	132,771,455	94.9%
6217 - Construction Mgmt Fees	3,421,733	3,421,732	100.0%	3,073,649	89.8%
6219 - Other Costs - Construction	1,173,194	1,079,014	92.0%	932,469	79.5%
6220 - Interim Housing	2,334,373	2,169,990	92.9%	2,169,996	92.9%
<b>Totals</b>	<b>146,818,242</b>	<b>141,502,831</b>	<b>96.4%</b>	<b>138,946,569</b>	<b>94.6%</b>
<b>D - Testing</b>					
6215 - Construction Tests	960,878	960,878	100.0%	913,599	95.1%
<b>Totals</b>	<b>960,878</b>	<b>960,878</b>	<b>100.0%</b>	<b>913,599</b>	<b>95.1%</b>
<b>E - Inspection</b>					
6214 - Construction Inspection	1,089,587	1,089,587	100.0%	1,079,247	99.1%
<b>Totals</b>	<b>1,089,587</b>	<b>1,089,587</b>	<b>100.0%</b>	<b>1,079,247</b>	<b>99.1%</b>
<b>F - Furniture &amp; Equipment</b>					
4300 - Materials & Supplies - \$500	67,067	41,352	61.7%	39,279	58.6%
4360 - Supplies - Technology	43,060	43,059	100.0%	524	1.2%
4400 - Non-Capitalized Equipment \$500-4	189,461	136,104	71.8%	41,456	21.9%
4460 - Non-Cap Assets Tech \$500-5000	454,877	454,877	100.0%	92,374	20.3%
6400 - Capitalized Equipment >\$5000	1,710,517	1,600,183	93.5%	78,524	4.6%
6460 - Technology Equipment	1,525,062	1,474,929	96.7%	1,299,734	85.2%
<b>Totals</b>	<b>3,990,044</b>	<b>3,750,504</b>	<b>94.0%</b>	<b>1,551,892</b>	<b>38.9%</b>
<b>Totals</b>	<b>156,497,205</b>	<b>150,514,550</b>	<b>96.2%</b>	<b>145,582,591</b>	<b>93.0%</b>

# October 2019 – Work Plan & Progress Update for all recommendations



## Anticipated Work Plan & Implementation Timeline

	Anticipated Implementation Work Plan Dates			
	as of August 2019	by October 2019	by November 2019	by June 2020
<b>Total Implemented &amp; Verified</b>	<b>33</b>			
<b>Total Implemented</b>	<b>67</b>	<b>74</b>	<b>97</b>	<b>111</b>
<b>% Implemented (Total Items 112)</b>	<b>60%</b>	<b>66%</b>	<b>87%</b>	<b>99%</b>
<b>Total High Risk Items</b>	<b>7</b>	<b>8</b>	<b>15</b>	<b>21</b>
<b>% Implemented (Total Items 21)</b>	<b>33%</b>	<b>38%</b>	<b>71%</b>	<b>100%</b>

### Next Steps

- ◀ Implementation Task Force - December 2019
- ◀ Facilities Committee - January 2019
- ◀ Bi-Annual Board Update - November 2019

# Internal Auditor Independent Review of Implementation

Appendix C: Recommendation Work Plan		DRAFT															
1	<p><b>VLSFAI RECOMMENDATION # ML- 4 / TC 4-1</b></p> <p>Include in the Governance Handbook examples of what would constitute the performance of a management function to help clarify the significance of the statement that Board members refrain from performing management functions. For example, include language to the effect that directing or attempting to direct the work of District vendors is not appropriate conduct for a Board Member. In addition, the Board should consider establishing a policy that restricts the frequency with which Board members may visit District offices or school facilities.</p>																
2	<p><b>Implementation Details:</b></p> <p><b>Team:</b> Superintendent      <b>Priority:</b> Medium  <b>Lead(s):</b> Matt Duffy, Lisa LeBlanc (through June 2019)  <b>Start Date:</b> October 2016  <b>Estimated Completion Date:</b> November 2016  <b>Actual Completion Date:</b> November 2016  <b>District Status:</b> Implemented and Verified (June 2017)</p>																
3	<p><b>MAFAIR:</b></p> <p>Phase: 1                                  Status: Implemented  Phase: 2                                  Status: N/A</p>																
4	<p><b>Scope/Plan:</b></p> <p>Consult with General Counsel, Harold Freiman, for legal guidance on the recommendation. General Counsel recommendation to be presented to the full Board on or about November 2, 2016. Received Memorandum and redlined version of Governance Handbook from legal counsel on October 20, 2016. Approved by Board on 11/2/2017</p> <p>Additional refinements continue. Governance Handbook language revised 7/19/2017 and BP 9005 revised 8/9/2017.</p> <p><u>Note: This item continues to be refined via changes to Governance Handbook and Board Policies</u></p>																
5	<table border="1"> <thead> <tr> <th>Major Activities &amp; Milestones</th> <th>Estimated Start Date</th> <th>Estimated Completion Date</th> <th>Actual Completion Date</th> <th>Current Status</th> <th>Resource #</th> </tr> </thead> <tbody> <tr> <td>Friday Memo, Revised Governance Handbook</td> <td></td> <td></td> <td>10/28/16</td> <td>Implemented</td> <td>1</td> </tr> </tbody> </table>					Major Activities & Milestones	Estimated Start Date	Estimated Completion Date	Actual Completion Date	Current Status	Resource #	Friday Memo, Revised Governance Handbook			10/28/16	Implemented	1
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Friday Memo, Revised Governance Handbook			10/28/16	Implemented	1												

Read VLS FAI Recommendation and determine its purpose and intent.

Review Implementation Details to identify individuals responsible, implementation status, and timeline.

Review Moss Adams Forensic Accounting Investigation Internal Review status. If available, read Moss Adams' Observation and WCCUSD Management Response in the Forensic Accounting Investigation Implementation Review Report.

Read Scope/Plan. If available, compare to the Moss Adams Observation from the FAI Review Report to better understand the district's action plan to implement the recommendation.

Read through Major Activities & Milestones for evidence of implementation.



# Internal Auditor Independent Review of Implementation

**Appendix C: Recommendation Work Plan** DRAFT

BOE Item F-1, Revised Governance Handbook		11/2/16	Implemented	2
BOE Item G-3, Revised Governance Handbook		7/19/2017	Implemented	3
BOE Item F-1, Revised Governance Handbook		8/9/2017	Implemented	4

**Resources:**

1. Friday Memo, Revised Governance Handbook, October 2016
2. BOE Item F-1, Revised Governance Handbook, November 2016
3. BOE Item G-3, Revised Governance Handbook, July 2017
4. BOE Item F-1, Revised Governance Handbook, August 2009

**7 Deliverables:**

Revised Governance Handbook with newly added Vendor and Relations section (page 19) providing guidance on how board members should refrain from performing management functions, prohibits board members from directing the work of vendors, consultants, contractors, or others. Revisions also include language on site visitations which incorporates BP 9200.

**8 Updates:**

**July 2017 Update:**

Refinements to the Governance Handbook applicable to this recommendation were approved by the Board on July 19, 2017. Under Role of the Board, the Board is to work with the Superintendent to fulfill its major responsibilities including "Maintaining the role as governors of the district and not day to day managers". In addition, and under Vendor Communications and Relations, language was revised added to the area whereby Board members should not influence the negotiation and terms of contracts and they should be handled primarily by District staff and/or District Legal Counsel. The Board acts as the decision making body regarding such contracts. Added language is "This includes all amendments to contracts as well".

**August 2017 Update:**

On August 9, 2017, the Board approved additional language to BP9005. Paragraph 9 was revised to read: "Understand that vendor **selection-procurement**, negotiation and terms of contracts should be handled by District staff and/or District legal counsel. **The Board acts as the decision making body regarding such contracts.**"

**9 Internal Auditor Review:** N/A

10/2/2019 Page 2 | 2

Review Resources to identify and evaluate supporting documentation.

Review Deliverables to understand how the Resources support implementation of the Recommendation and reflect the Scope/Plan.

Read Updates to see how the district's implementation efforts have evolved after implementation.

Determine if the recommendation is implemented or if additional work is required before it can be rendered implemented and verified. Complete and provide a written review.