Implementation of Recommendations

August 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
Grace Elzerman, Director of Internal Audit
Melissa Payne, Director of Contracts
vacant, Solutions Team Member
Cameron Moore, Citizens’ Bond Oversight Committee Member
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.

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.

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.

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.

Director of Internal Audit Review - The District hired a Director of Internal Audit (DIA). This position was created in response to a VLSFAI recommendation, creating a standing independent auditing capacity within the District. This role provides WCCUSD with the capacity to review the implementation of recommendations in a timely manner. The DIA will review and verify the VLSFAI recommendations upon implementation by the District.
The Director of Internal Audit will review and verify all outstanding Phase 1 recommendations. 

- 6 items are protected by attorney-client privilege.
- 1 item “Evidence provided after June 30, 2017”
To support implementation, on May 8, 2019, the Board of Education approved contracts with Colbi Technologies (“Colbi”) and Swinerton Management and Consulting (“SMC”).

**Financial Reporting**
- Colbi provides program and project financial management and reporting software.
- Anticipated Implementation scheduled for October 2019
- Implementation will resolve 12 recommendations including 1 high risk

**Bond Program Management Plan (“PMP”)**
- SMC will assist District staff in formalizing written policies and procedures that document the internal control practices implemented by staff.
- Anticipated Implementation scheduled for November 2019
- Implementation will resolve 23 recommendations, including 8 high risk
August 2019 – Work Plan & Progress Update for all recommendations

- 7 items pending Colbi implementation
- 18 items pending Program Management Plan (“PMP”) completion
- 5 items pending Colbi/PMP
- 4 auditing items
- 2 policy items
- 8 items requiring add’l coordination (ie. CBOC, ILC, organizational structure etc.)

112 Total Recommendations

- 35 (31.3%) Implemented and Verified
  - Includes the “Implemented & Verified” (33) by Moss Adams 2019 & “Undetermined” (1) & “Not Implemented” (1)
- 26 (23.2%) Implemented - Ready for Review
  - 26 implemented recommendations are being prepared for independent review by the Director of Internal Audit.
- 7 (6.3%) Implementation by Oct 19
  - 7 items pending Colbi implementation
- 23 (20.5%) Implementation by Nov 19
  - 18 items pending Program Management Plan (“PMP”) completion
  - 5 items pending Colbi/PMP
- 14 (12.5%) Implementation by Jun 20
  - 4 auditing items
  - 2 policy items
  - 8 items requiring add’l coordination (ie. CBOC, ILC, organizational structure etc.)
- 1 (0.9%)
- Future

6 Total
20.5%

In addition to the recommendations listed above, there are 18 items pending Program Management Plan (“PMP”) completion, 5 items pending Colbi/PMP, 4 auditing items, 2 policy items, and 8 items requiring add’l coordination (ie. CBOC, ILC, organizational structure etc.).
Anticipated Work Plan & Implementation Timeline

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

- Implementation Task Force - September 2019
- Facilities Subcommittee - October 2019
- Bi-Annual Board Update - November 2019