

Implementation Plan Update

Forensic Accounting Investigation Report dated September 2016

Facilities Subcommittee

April 18, 2017

Implementation Task Force Members:

Matthew Duffy, Superintendent

Lisa LeBlanc, Associate Superintendent

Jackie Kim, Director of Internal Audit

Melissa Payne, Director of Contracts

Rhem Bell, Solutions Team Member

Auna Harris, Citizens' Bond Oversight Committee Member



Background

- Phase II Forensic Accounting Report was accepted by the Board on September 21, 2016 and provided a 30-day public comment period
- The report contains 112 recommendations to reduce the District's risk, improve overall operational and administrative efficiencies
- The Board approved an Implementation Task Force which met October 21, 2016, December 16, 2016, and March 31, 2017
- The Draft Implementation Plan was approved by the Task Force on October 21, 2016
- Reporting timeframes for the Facilities Subcommittee and Board were approved by the Task Force

Meeting and Reporting Timeline

Implementation Task Force Meetings:

December, March, June, September

Facilities Subcommittee:

January, April, July, October

Board of Education:

February and November

Update on the March Implementation Task Force Meeting

- CBOC representative, Auna Harris, was appointed by the CBOC and attended her first task force meeting
- Task force affirmed its commitment to transparency and discussed the District's recent progress to implement the audit recommendations
- The discussion focused on the contract recommendations, along with the related controls
- The task force expressed interest in providing an update to the Facilities Subcommittee on TC 16-4 (CBOC reports)

Progress to Date on All Recommendations

Status	Recommendations Completed as of January 2017	Recommendations Completed as of February 2017	Recommendations Completed as of March 2017
Completed	36	39	54
Under Review / In Process	71	68	53
For Future Implementation	5	5	5
TOTAL	112	112	112
Percentage Complete	32%	34%	48%

Note: Once a recommendation is implemented the status will be labeled “completed”. Many recommendations require ongoing implementation to ensure continuation of best practices.

Progress to Date on Recommendations Assigned Risk

Status	Number of Recommendations Assigned risk	High Risk	Medium Risk	Low Risk
Completed	34	5	27	2
Under Review / In Process	40	16	24	0
For Future Implementation	4	0	4	0
	78			

Note: There are a total of 112 recommendations, however, only 78 were assigned a risk score of high, medium, or low.

Operations Update

- TC-16-4 Citizens Bond Oversight Reports

Once consensus is reached between the CBOC and the District regarding the report naming, presentation, format, and content; and once report development is finalized, develop written procedures for the preparation and distribution of reports so that processes can continue when there are changes in personnel. The written procedures should include the following:

- a. Identify the type of reports to be generated.
- b. Indicate the interval with which reports should be generated, such as monthly.
- c. Require that the Executive Director of Business Services, Bond Finance reviews the reports prior to distribution to other management, staff, or other users.
- d. Identify the individuals that should receive the reports generated and the process for communicating questions or comments back to the Bond Finance department.

CBOC Reports

	REPORTS	Status
1	Bond Program KPI	Provided
2	Bond Program Spending by School Site	In Progress
3	Bond Program Summarized Cost Codes	In Progress
4	Bond Program Spending by Cost Code Percentage	In Progress
5	Bond Program Active Project List	Provided
6	Change Order Summary Information	Provided
7	Pinole Valley HS Expenditures Program to Date	Provided
8	Building Fund 21 Cash Flow	Provided
9	Bond Program Staffing	Provided
10	Budget Summary	Provided
11	Project Budget Report	Provided
12	Accounts Payables Check List	Provided
13	Bond Program Unencumbered Funds	Provided

Progress and Next Steps

- Board approved a budget authorization form on October 19, 2016 which confirmed expenditures since 2001 on a site level basis
- There are numerous projects at each site that require line-by-line adjustments to reflect the expenditures confirmed by the Board
- As of April 12, 2017, 47 sites at the project level reflect the Board approval of October 19, 2016
- Remaining 10 sites are anticipated to be complete by June 1, 2017
- Board approval to confirm the cost code adjustments is anticipated in June
- After Board approval, we anticipate that Reports 2, 3 and 4 can be finalized
- Memorialize procedures in writing

Challenges in Providing CBOC Reports

- Report 2, 3 and 4 contain data that span over 15 years and are a compilation of four (4) different software systems
- Requires a significant amount of staff resources to drill down data and review contracts related to the data
- Transition from construction management staff to district staff over the last year has shifted responsibilities and workload

Next Updates

- Facilities Subcommittee – July 2017