

**DRAFT**

**Phase II Forensic Accounting  
Investigation Report  
Implementation Plan**

West Contra Costa Unified School District



October 2017

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# **I. Executive Summary**

## **A. Background**

On April 22, 2015, a district employee delivered documents to the Board of Education which contained several allegations regarding the bond program. The Board of Education committed to pursue a forensic examination of the allegations, hire an independent attorney to represent the Board, and formed the Clay Investigation Subcommittee. In October 2015, the Board of Education approved a contract with Vicenti, Lloyd & Stutzman, LLP (VLS) to perform a Phase I risk assessment of the allegations. On January 7, 2016, VLS presented its Phase I risk assessment matrix to the Clay Subcommittee and scope of work for a Phase II Accounting Investigation Report. On January 20, 2016, the Board approved the Phase II Accounting Investigation scope of work, which included testing the internal controls of the district, assigning a new risk score and conducting a forensic investigation in eleven different areas. The Board accepted the full Phase II Investigation Report on September 21, 2016. The Phase II report contained 112 recommendations to reduce the District’s level of risk, improve overall operational and administrative efficiencies. One of the recommendations for the overall operational efficiency of the district included the formation of the implementation task force.

## **B. District’s Response to the Recommendations**

During VLS’s investigation and development of the Phase II report, the District was provided an opportunity to review and respond to each recommendation. At the time the recommendation was provided to the District, the results of the testing (or background work) was not provided to the District prior to the report being finalized and published. However, in general, the District agreed with the recommendations and will consider the additional background information, along with any public comment received, when implementing the recommendations.

## **C. Phase II Forensic Accounting Investigation Implementation Plan (“Phase II Implementation Plan”)**

The Implementation Task Force has outlined its plans to implement the recommendations contained in the Phase II report and will be providing quarterly updates to the Facilities Subcommittee and to the Board of Education semi-annually. The Phase II Task Force approved a two year timeframe for completing the Implementation Plan. The anticipated completion for the final draft of the Implementation Plan is October 2018. The Phase II Task Force will be dissolved upon XXXX. The task force shall target the following months for meeting and reporting purposes:

Phase II Task Force Meetings	December, March, June, September
Facilities Subcommittee	January, April, July, and October
Board of Education	February and November

The taskforce has included two appendices to its Phase II Implementation Plan which will be updated prior to the Facilities Subcommittee and Board of Education meetings.

Appendix A: Key of Recommendations

Appendix A is a list of the 112 recommendations as identified in the Phase II Forensic Accounting Investigation Report. The list includes the District's numbering sequence, along with Phase II Report's reference (Testing of Control number, i.e. TC, or Forensic Investigation number, i.e. FI). The list also identifies the responsible department/party that will be implementing the recommendation. The list is a compilation of the following sections: II-C Table 1: List of TC Recommendations, IV-C Table 68: FI Recommendations, and VII Closing.

Appendix B: Matrix of Recommendations

Appendix B provides more detail, including responsible department, individual responsible for implementation, timeline dates, specific deliverables on each recommendation, together with the status. This matrix will be updated prior to reporting to the Facilities Subcommittee and Board of Education.