Office of Internal Compliance (OIC)

Audit Committee Meeting
March 12, 2020
11:00 AM

Presented By: Connie Brown
        Executive Director – Office of Internal Compliance

Content

- ➢ OIC Update
  - ❑ Audit Report Discussions
    - ❑ P-Card Continuous Audit
    - ❑ Athletics Audit
  - ❑ SY2020 Audit Plan Update

Summary of Findings

P-Card Continuous Auditing

P-Cards Continuous Audit Findings

Audit Start Date: July 1, 2019

Report Issue Date: February 10, 2020

Objectives:

- The objective of this audit was to determine if P-Card transactions were processed outside of APS Purchasing Card guidelines.

Tasks Performed to Achieve Objectives:

- Reviewed of P-Card activity for Q1 FY2020 (7/1/2019 through 9/30/2019) of fiscal.
- Performed analytical procedures to determine if cardholders may have tried to circumvent the Procurement Policy based on the vendors associated with the purchases.

Scope: Q1 FY2020 (7/1/2019 through 9/30/2019)

Results: Based on our review, it appears P-Card monitoring oversight needs to be strengthened to make sure improper card usage does not go undetected.

P-Cards Continuous Audit Findings

Results:

- Receipts or invoices were not always kept on file as supporting documentation for P-Card purchases

- Potential split transaction activities with the same vendor for multiple purchases on the same day, consecutive days or within the same week

- Potential circumvention of two written quotes process

- No contract in place for vendors with high volume transactions

- Sales tax was improperly paid on P-Card purchases

- P-Card used to purchases gift cards

- No evidence of special approval for single transaction limit increase for one cardholder

- No process in place to prevent cardholders from overspending outside of their allowable single transaction limit once placed in the Special Revenue Special Permission temporary profile in Bank of America Works.

P-Cards Continuous Audit Findings

Recommendations:

- Finance leadership should consider re-evaluating the $2,000 single transaction limit to make sure it meets the needs of the cardholders and schools.

- Finance and Procurement leadership should consider working together to monitor cardholder spend and identify high volume transactions with the same vendor to minimize procurement policy non-compliance issues related to obtaining contracts.

- Finance leadership should adhere to the special approval process and document retention policy for those cardholders who request an increase in their single transaction limit to minimize the likelihood of unauthorized purchases and records not being retained

- Finance leadership should consider putting parameters in place to make sure cardholders spend within their approval limit while placed in the Special Revenue Special Permission temporary profile in Bank of America Works to prevent unauthorized card usage.

- Finance leadership should consider using data analytic tools (i.e. tableau data scripts, ACL) to assist with the continuous monitoring of P-Card usage to help strengthen monitoring oversight and reduce the likelihood of unallowable transactions.

Athletics Audit

Audit Start Date: August 9, 2019

Report Issue Date: March 6, 2020

Objectives:

- Gain understanding of the key processes, risks, and control within Athletics as it relates to student athlete eligibility, health & safety, and program management
- Determine if controls are in place and adequately designed to address associated risks
- Evaluate the Athletics program processes and procedures to determine if opportunities for efficiencies exist

Tasks Performed to Achieve Objectives:

- Interviewed personnel
- Examined records within the Student Information System (Infinite Campus), permanent student files, and related documentation

Scope: The following sports activities were considered: Boys Varsity Football, Boys Varsity Track/Field, Boys Varsity Basketball and Girls Varsity Track/Field for the period dated July 1, 2017 to June 30, 2019.

Results: There were areas identified where efficiency and effectiveness of operations can be improved through the execution of established policies and procedures and implementation of internal controls around eligibility determinations and record retention.

Athletics Audit Summary of Findings

Student Athlete Eligibility

* Miscellaneous Cash Activity Account Fund

Athletics Audit Summary of Findings

Observation 1	Recommendation	Manager's Corrective Action Plan
We noted that 23 of 25 students (92%) tested were missing required residency documents and/or the submitted documents did not meet District standards. Student documents may be purged a year after the student is no longer enrolled. This process appears to be in conflict with the Atlanta Public Schools Records Retention Schedule (effective 04/14/14).	Establish and consistently implement processes that are designed to comply with the Board's Proof of Residency requirements (i.e. Board Policy, JBC-R(2) School Admissions – Enrollment Requirements), as well as the Atlanta Public Schools Records Retention Schedule.	APS created a new central Student Records Specialist position as of the beginning of school year 2019-20. One of the key goals of this position is to increase support to schools in maintaining records in compliance with State law, APS Policies/Regulations and best practices for school districts. The Administration will review the APS Records Retention Schedule and will consider a revision to the APS Retention Classification for Student Records, Personal and Non-District Created in alignment with State guidance (which currently advises retaining Personal and Non-District created records for one year after a student withdraws or graduates from the District). Twice a year, the Athletics Department will assist the Office of Student Assignment & Records with phasing in a new process that includes the examination of the student records for a percentage of all student-athletes at each high school to ensure records are up-to-date with all GHSA requirements. ***Implementation Date:*** Phased in Beginning October 1, 2020 ***Person Responsible for Implementation:*** Coordinator of Student Assignment and Records

Athletics Audit Summary of Findings

Observation 2	Recommendation	Manager's Corrective Action Plan
We reviewed the Student Athlete Participation forms required for a student to participate in interscholastic activities and noted the following: • 22 of 25 (88%) *Preparticipation Physical Evaluation forms and/or* Appendix I – *Athletic Participation* forms were missing or incomplete for the activity participating school year. • 23 of 25 (92%) *Student/Parent Concussion Awareness Forms* were missing. The school athletic staff are not always obtaining and/or maintaining required documentation.	Establish and implement a plan and/or system to enforce the *APS Records Retention Schedule* for all Student Athlete Participation forms. Also, consider establishing a process and/or workflow to ensure the completeness of all forms.	The Department of Athletics has begun the process of setting up a shared drive that will be used to monitor school level compliance with required documentation, including: • Keeping accurate electronic records of all Student Athlete Participation forms • Accounting for all coaches signing off on the accuracy of participation forms • Providing the Department of Athletics with the ongoing opportunity to give feedback on submitted forms. At the beginning of each year, the school athletic directors will receive training on records retention and will be equipped with a full understanding of how they are to use the shared drive to keep track of accurate documents. ***Implementation Date:*** August 1, 2020 ***Person Responsible for Implementation:*** District Athletic Director

Athletics Audit Summary of Findings

Observation 3	Recommendation	Manager's Corrective Action Plan
A control is in place to review the Infinite Campus GHSA Eligibility Admin Form Report; however, the control is not designed adequately to mitigate the risk of ineligible student participation in sports activities.	The APS Athletic Director should collaborate with the Data Information Group (DIG) to configure an Infinite Campus Athletics Team Roster that is inclusive of all relevant fields necessary for the Principal to perform a complete and accurate review of student eligibility information.	The Administration accepts the recommendation to improve the process by configuring an Infinite Campus Athletics Team Roster that is inclusive of all relevant fields, as determined by the APS Athletic Director, on one form. The Department of Athletics will also update the Athletics Standard Operating Procedures Manual to stipulate only middle schools will be required to complete Squad Lists. High School Athletic Directors will continue to use the GHSA Eligibility forms in lieu of Squad Lists for high school sports. ***Implementation Date:*** July 15, 2020 ***Person Responsible for Implementation:*** Executive Director – DIG; District Athletic Director

Athletics Audit Summary of Findings

Observation 4	Recommendation	Manager's Corrective Action Plan
Of the 25 student athletes tested, 12 (48%) were not listed on the *GHSA Eligibility Form Admin Report, Squad List*, or we were unable to verify GHSA eligibility status. For these students, the coaches added the student's name to the *GHSA Eligibility Admin Form* report or via the GHSA MIS website without consulting with the school Registrar and without providing supporting documentation for verification that may or may not have resulted in the student being included on the *GHSA Eligibility Admin Form* report when generated again.	The school Athletic Directors should collaborate with the Registrar to establish and implement a process to certify eligibility and obtain support documentation when a student athlete is not generated on the *GHSA Eligibility Form Admin Report*. Also, DIG should provide training to the school Athletic Directors on how to view a student's eligibility results, eligibility criteria, and any error messages received after generating the report.	The Administration acknowledges the need for process improvements around documenting eligibility requirements. • The Administration will establish a process to confirm eligibility for students added to the eligibility report that includes the registrar, local school Athletic Director and principal. • Each school will also use an official form provided by the Department of Athletics to account for each student athlete that is not generated on the GHSA Eligibility Form Admin Report. The principal and school Athletic Director will be responsible for signing off on this document and uploading it into the student's profile within the student information management system so that electronic documentation supports the manual process that is currently in place. *Implementation Date:* July 15, 2020 *Person Responsible for Implementation:* Coordinator of Student Assignment & Records; District Athletic Director

Athletics Audit Summary of Findings

ATLANTA PUBLIC SCHOOLS

Observation 5	Recommendation	Manager's Corrective Action Plan
Our review of the *GHSA Eligibility Admin Form Report* and supporting documentation revealed that three student athletes were not eligible to participate in interscholastic activities due to no transcripts in Infinite Campus (IC). The report may not be all inclusive due to the Registrar not entering and/or not forwarding transcripts timely to the counselor for transcript evaluation. Three students' transcripts were entered three to six months after receipt.	Establish and implement a process to verify that each student's transcript is entered into the Student Information System within a specific timeframe determined by senior leadership that includes an independent check for accuracy and completeness.	• The Standard Operating Procedure for student athletic eligibility will be updated to account for cases where the eligibility report is not up-to-date, requiring the school Athletic Director to review the students' permanent folders to confirm the existence of transcripts. • Registrars will receive training at the beginning of the year that includes the requirement to enter transcripts into the Student Information System within 30 days of receipt. • Schools will use a process to stamp the arrival of transcripts from sending schools for new enrollees and confirm the entering of these transcripts into Infinite Campus within the 30 day time frame. A designated counselor will verify this monthly with the registrar. ***Implementation Date :*** August 1, 2020 ***Person Responsible for Implementation:*** District Registrar; Executive Director - DIG

Athletics Audit Summary of Findings

Health & Safety

Athletics Audit Summary of Findings

ATLANTA PUBLIC SCHOOLS

Observation 6	Recommendation	Manager's Corrective Action Plan
Coaches were not able to provide evidence to support attendance at the following required training: • GHSA-Sponsored Rules Clinic (13 of 25 Coaches, 52%) • National Federation of State High School Associations (NFHS) Concussion Management (24 of 25 Coaches, 96%)	Establish and implement an oversight and/or monitoring process to ensure compliance with required GHSA training requirements. This process should include documentation standards that align with the District's APS *Records Retention Schedule*.	The Administration accepts the recommendation to provide additional monitoring of required GHSA trainings above and beyond those measures currently in place with GHSA (which tracks attendance and fines individual schools for non-compliance three times per year). The shared drive will be used to verify each coach's attendance at required trainings listed above. Local school Athletic Directors will be required to sign off on a document created by the Department of Athletics confirming their attendance at required trainings within 5 days of attendance, and their supervising administrator will sign off as well. The document will be filed in accordance with the District's APS Records Retention Schedule and be uploaded to the shared drive for District AD monitoring. ***Implementation Date:*** August 1, 2020 ***Person Responsible for Implementation:*** District Athletic Director

Athletics Audit Summary of Findings

Observation 7	Recommendation	Manager's Corrective Action Plan
At the four schools visited, we noted that none of the schools had evidence of written lightning readings for any of the outdoor athletic activities tested. The *GHSA Constitution and By-laws* requires lightning detectors at all outdoor athletic activities. The *Athletics Standard Operation Procedures Manual* requires the schools to designate a person to actively look for the signs of threatening weather for all outdoor athletic activities and to use lightning detectors to monitor storm activity.	Establish and implement a process to maintain a record of lightning readings for all outdoor athletic activities in accordance with the District's *APS Records Retention Schedule.*	Current APS Policy and GHSA guidance do not contemplate the logging of lightning readings for practices. However, the Administration will collect best practices from other districts across the state and will consider operating procedure changes in consultation with legal counsel. *Implementation Date:* August 1, 2020 *Person Responsible for Implementation:* District Athletic Director

Athletics Audit Summary of Findings

Observation 8	Recommendation	Manager's Corrective Action Plan
The Emergency Action Plans (EAP) for 3 of 4 schools (75%) did not have an EAP for all of the sports tested and/or the EAP did not contain all the required inclusions.	Establish and implement a process to ensure all EAP's are maintained at the schools and include the following: • Responses to natural disasters, serious illnesses/injuries, and terroristic events; • Involvement of the required agencies and medical personnel; and • Written for all athletic practices and games. Also, consider utilizing the GHSA website as a resource for the Emergency Action Planning Program. As evidence of EAP dissemination, consider obtaining an acknowledgement of receipt and understanding from all coaches.	School Athletic Directors will be required to upload the required EAPs on the shared drive by the established due date. The District Athletic Director will confirm receipt of all forms and will follow up with schools within 5 days of the due date for those not in compliance with the required components. This EAP will be a part of the list of all items required from each local school Athletic Director along with due dates and will be covered at the beginning of the year during regularly scheduled trainings with the District Athletic Director. Local Athletic Directors will be required to sign during this meeting to indicate their receipt and understanding of all required forms for the school year along with clear directions on when and how to turn in said forms. ***Implementation Date:*** August 1, 2020 ***Person Responsible for Implementation:*** District Athletic Director

Athletics Audit Summary of Findings

Program Management

Athletics Audit Summary of Findings

ATLANTA PUBLIC SCHOOLS

Observation 9	Recommendation	Manager's Corrective Action Plan
Interviews with athletic personnel, along with the results of our review in prior observations, indicates that more involvement in program oversight and leadership from the APS Athletic Director (Director) is needed.	Some level of accountability for the school Athletic Directors to the APS Athletic Director should be developed to help facilitate an environment conducive to better program oversight. The APS Athletic Director should: • Maintain all required documentation as evidence of performance, and in accordance with the *APS Records Retention Schedule.* • Update the *Athletics Standard Operation Procedures Manual* to include but not limited to the District's *APS Records Retention Schedule.* Communication to staff of the changes and reiteration of District policy requirements should be included in the disseminated correspondence.	The District Athletic Director will increase monitoring of required documentation using a shared drive, and concerns will be documented and communicated to the principal or designated administrator of each school. Athletic Monitors will submit all required forms via the shared drive for District AD feedback as needed. They will also submit and retain the same forms in accordance with the APS Records Retention Schedule. The District Athletic Director will meet with all principals leading into the school year and follow up over the course of the year at least once in a formal setting concerning all expectations of the Athletics Department with specific attention drawn to the findings of this audit. This will include a review of rules, regulations and policies school level Athletic Directors are expected to follow. ***Implementation Date:*** August 1, 2020 ***Person Responsible for Implementation:*** District Athletic Director

# Athletics Audit Summary of Findings

Observation 9 (Cont.)	Recommendation	Manager's Corrective Action Plan
	• Establish a system of checks and balances that includes periodic sampling for existence of form and reporting documentation required by GHSA, NFHS, the District, and the Department.	

SY2020 Audit Plan Update

SY2020 Audit Plan Update

Project Name	Start Date	Close Date	Status
Miscellaneous Cash Activity Account Funds (MCAAF) Audits			
Bejamin E. Mays HS	2/14/2020	N/A	In Process
Booker T. Washington	2/12/2020	N/A	In Process
Maynard H. Jackson	3/3/2020	N/A	In Process
Mary Lin ES	2/12/2020	N/A	In Process
Sutton MS	2/28/2020	N/A	In Process
Morris Brandon ES	2/13/2020	N/A	In Process
John Lewis Invictus MS	3/10/2020	N/A	In Process
School 8	N/A	N/A	Not Started
School 9	N/A	N/A	Not Started
School 10	N/A	N/A	Not Started
School 11	N/A	N/A	Not Started
School 12	N/A	N/A	Not Started
Payroll Audit	1/22/2020	N/A	In Process
Athletics	9/4/2019	3/6/2020	Completed
Transportation - Parts vendor oversight	2/17/2020	N/A	In Process
Parking Lot Funds Process & Cash Management Review	7/16/2019	12/4/2019	Completed
P-Card Continuous Auditing (Quarterly)	10/24/2019	N/A	Completed
Lawson ERP Upgrade Implementaiton Review	N/A	N/A	Not Started
Entity Risk Assessment	10/31/2019	N/A	In Process
IT Risk Assessment	10/16/2019	11/13/2019	Completed
IT Audit - Vendor Management/Third-Party Review	1/30/2020	N/A	In Process
IT Audit - Security and Vulnerability Review	2/4/2020	N/A	In Process
Recurring Projects			
Investigations	7/1/2019	N/A	Ongoing
Audit Follow Up	7/1/2019	N/A	Ongoing

Pie chart:
- 27% — Not Started
- 55% — In Process
- 18% — Completed
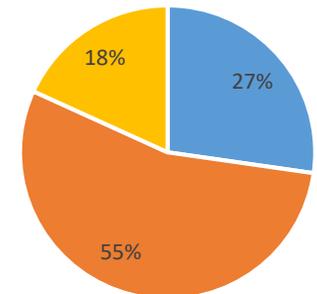
Legend: Not Started, In Process, Completed

SY2020 Audit Plan Update

Project Name	Budget Hours	Actual Hours	Variance Over (Under)	Comments
Miscellaneous Cash Activity Account Funds (MCAAF) Audits				
Bejamin E. Mays HS	40	0	(40.00)	
Booker T. Washington	40	0	(40.00)	
Maynard H. Jackson	40	0	(40.00)	
Mary Lin ES	40	0	(40.00)	
Sutton MS	40	0	(40.00)	
Morris Brandon ES	40	0	(40.00)	
John Lewis Invictus MS	40	0	(40.00)	
School 8	40	0	(40.00)	
School 9	40	0	(40.00)	
School 10	40	0	(40.00)	
School 11	40	0	(40.00)	
School 12	40	0	(40.00)	
Payroll Audit	400	0	(400.00)	
Athletics	400	562.5	162.50	Decentralized nature of the activity; lack of documentation (processes and source), data/exception validation; unexpected inclusion of other areas (DIG and Registrars); unexpected rework of test procedures
Transportation - Parts vendor oversight	400		(400.00)	
Parking Lot Funds Process & Cash Management Review	200	442.5	242.50	Decentralized nature of activity; parking feasibility study; Internal reviews
P-Card Continuous Auditing (Quarterly)	200	392.5	192.50	First time Tableau users; new Tableau test scripts; refining test scripts; internal reviews
Lawson ERP Upgrade Implementaiton Review	320	0	(320.00)	
Entity Risk Assessment	120	105	(15.00)	
IT Risk Assessment	180	96	(84.00)	
IT Audit - Vendor Management/Third-Party Review	100	78.5	(21.50)	
IT Audit - Security and Vulnerability Review	280	220	(60.00)	
Recurring Projects				
Investigations	200	0	(200.00)	
Audit Follow Up	300	110	(190.00)	

Questions