DRAFT
Phase II Forensic Accounting Investigation Report Implementation Plan

West Contra Costa Unified School District

July 2017

Implementation Task Force
Matthew Duffy, Superintendent
Lisa LeBlanc, Associate Superintendent, Operations
Jackie Kim, Internal Auditor
Melissa Payne, Director of Contracts
Rhem Bell, Solutions Team Appointee
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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: 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 sections II-C Table 1: List of TC Recommendations, IV-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.

ML	Ref.	Recommendation	Responsible Party
		Employ methods of reaching out to the entire community to advertise the opportunity of membership in the CBOC. These methods may include posting the need on the District website, inclusion in newsletters already used to communicate with District families, and newspaper advertising (if this method does not prove to be cost prohibitive).	1. Operations (Lisa LeBlanc)
1	TC 1-1	Clarify language included in the "Additional Steps" of the Facilities Master Plan Implementation to provide for a specific time period in which the "period review" of the Facilities Master Plan will occur. For example, a statement that every five years the Facilities Master plan will be assessed with the involvement of the community provides specific timing that will increase transparency and accountability.	1. Operations (Lisa LeBlanc)
2	TC 2-1	When the District seeks the passage of a future bond measure(s), include language in the bond measure that specifically refers to the Board approved Long-Range Facilities Master Plan. Adding this language to the bond measure will afford the District increased transparency, allow the voters to better understand the projects and timeline of the projects that will be undertaken with the bond proceeds, and will hold the District and Board members accountable to the public. The language added to the bond measure should include a statement that provides the District with some flexibility in the event of an unforeseen or catastrophic event, requires that the Board approve revisions made to the Facilities Master Plan, and indicates the means by which the public could obtain a copy of the approved Facilities Master Plan.	2. Superintendent (Matthew Duffy)
3	TC 2-2	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	
4	TC 4-1		

		Develop a Board policy on conflict of interest specific to Board member relationships with District vendors and contractors, and include this policy in the Governance Handbook. The District may consider the inclusion of a statement that reminds Board members that they shall, at all times, avoid the appearance of a conflict of interest. The statement may also mention that prior to participating in a discussion or vote on a proposed contract, a Board member shall disclose in open session the nature of any relationship that
7	TC 4-4	

Appendix A: Key of Recommendations

13 TC 6-2

		Develop a form that can be used by the Bond Finance Department to reflect the budget amendment/transfer transactions entered into Munis from the *Project Budget Amendment/Transfer Form(s)* . The form can be used as the District's written resolution for budget amendments and transfers between expenditure classifications. Take the new form to the Board as budget revisions for ratification and certification at its regularly scheduled meetings on a timely and consistent basis (at least monthly). Maintain a log of budget revisions approved by the Board with totals for each expenditure classification. This log can be used in the preparation of Interim Reports as the Board Approved Operating Budget. This log can also be used to determine the ending fund balance for the Building Fund whenever there is an amendment (increase or decrease) to the project budget at any given time period.	3. Bond Fiscal (Mark Bonnett)
17	TC 6-6	Develop and implement procedures related to the preparation and submission of Bond project budget reports that provide project budget status to the Board. District staff must decide whether it will create a new project budget report or continue the use of the EAW. However, the project budget status report should be a separate item from the approval of any budget increase or decrease to a project.	3. Bond Fiscal (Mark Bonnett)
18	TC 6-7	Develop and implement procedures related to the preparation and submission of budget increase(s) or decrease(s) to a Bond project for Board approval. The submission must be separate from the approval of contracts and change orders. In addition, it must be prepared and submitted on a consistent and regular basis.	3. Bond Fiscal (Mark Bonnett)
19	TC 6-8	Prepare and maintain a worksheet for each project that will provide budget history and applicable expenditures for the duration of the project. This worksheet can be used to assist in the financial decision making related to the project. This worksheet can also be used to prepare the project budget status to the Board. Furthermore, it is recommended that the District include in the worksheet a reconciliation between the project budgets reported in the SACS reports (prepared on a fiscal year basis) and the project budget status report (prepared based on the duration of the project).	3. Bond Fiscal (Mark Bonnett)
20	TC 6-9	Ensure full implementation of the procedures related to construction contracts (as revised October 2015), including, but not limited to, completion of the Prequalification Evaluation Form and Proposal Approval Checklist.	4. Con11.04 110.
21	TC 7-1		

		Require formal documentation of the informal vendor proposal review and selection process for professional services contracts. Formal documents that should be retained include the rating of firms based on proposal documents received, the selection of firms for interviews and results of those interviews, the completion of background checks, and all other documentation relevant to justify the vendor selected.	4. Contracts (Melissa Payne)
24	TC 7-4	Incorporate a formal, documented process to perform a conflict of interest check for all vendors submitting proposals to the District for the bond program. In this process, the District should require vendors to disclose to the District as part of the proposal process the following information: a. Any potential familial relationships between the vendor or its employees and District Board members or employees, b. Any potential financial interests between the vendor and District Board lissa Pp.2 (e)-3 (v9 (Bo)c (ilia) (e)	
25	TC 7-5		

29	TC 8-4	Require that vendors comply with District conflict of interest policies and disclose to the District, within an established time frame, when potential conflicts of interest arise. Update vendor contract templates to include language related to the District conflict of interest policies and what actions by the vendors are prohibited and reportable. Require that vendors sign acknowledgment forms indicating that they will comply with the District's conflict of interest policy and that there are no known relationships (or financial transactions) that would create a conflict.	4. Contracts (Melissa Payne)
30	TC 8-5	Update District policies to prohibit vendors from beginning work and receiving payment until all necessary documents have been submitted and the District executes the contract (except for work that qualifies as an emergency under California Public Contract Code). This will help protect the District and ensure that only appropriate vendor disbursements are made. The Payment Approval Form, which documents invoice approvals, should require that an executed contract is in place prior to payments being made.	4. Contracts (Melissa Payne)
31	TC 8-6	Add a section to the Notice to Proceed Checklist that documents the date the executed Notice to Proceed and executed contract was sent to the contractor.	4. Contracts (Melissa Payne)
32	TC 8-7	Ensure that all recommendations included above are incorporated into the written policies and procedures. This will ensure that District staff has clear guidelines to follow, will assist in training during turnover, and will provide consistency in processes.	4. Contracts (Melissa Payne)
33	TC 8-8	Once the policies and procedures manual related to vendor contracting is complete and fully implemented, a review should be performed by the District's internal auditor (or an independent third party) to ensure that all procedures are being followed.	5. Internal Auditor (Jackie Kim)
34	TC 9-1	Revise procedures to require that proof of publication for invitation(s) to bid is retained with the bidding documentation to ensure the complete bid package is kept intact.	4. Contracts (Melissa Payne)
35	TC 11-1	Revise the invoice payment procedures to establish a deadline for completing the invoice rejection letter within a specified number of days, such as 5 business days from receiving the invoice.	4. Contracts (Melissa Payne)
36	TC 11-2	Implement the invoice rejection letter as soon as practical.	4. Contracts (Melissa Payne)
37	TC 11-3	After full implementation of the vendor invoice rejection letter process, the District should perform a review of vendor payments exceeding the 30 day limit to determine (1) if the late payment was a result of a breakdown in District internal controls or vendor hindrance, and (2) if due to a vendor hindrance, was the invoice rejection letter used to support the reason for the late payment. This review should be performed approximately three months after full implementation of the vendor invoice rejection letter to ensure that the process is working and has improved the timeliness of vendor payments.	5. Internal Auditor (Jackie Kim)

		Ensure that vendor invoice payments are processed only after all required signatures are present on the Payment Approval Form. Alternate signers should be identified in the event that a required signer is out on an extended absence and there is an urgent need for payment.	4. Contracts (Melissa Payne)
38	TC 11-4	Ensure the Payment History/Approval Form is signed by the District Project Manager. If the Project Manager initials/signs the invoice to document this approval, a statement indicating that approval is documented on the invoice should be included on the Payment History/Approval Form.	4. Contracts (Melissa Payne)
39	TC 11-5	Develop written procedures or a policy to address the District's involvement in the prequalification of individuals employed by professional services vendors and working on the District bond program or bond projects. This should include assigning District staff that is responsible for reviewing and approving staffing added throughout the term of the contract to ensure that the additional staffing is needed and is not a function that can be performed by the District. This becomes particularly important when certain functions are outsourced to a vendor, such as bond program management, and when fees are billed based on pre-established billing rates for actual hours incurred (rather than a fixed fee). Where possible, professional services contracts should identify anticipated staffing level details (number of individuals and titles).	4. Contracts (Melissa Payne)
40	TC 12-1	If the service provider requires an amendment to identify and approve staffing levels in the contract that will result in increased costs, the vendor should	
41	TC 12-2		

50	TC 13-9	When submitting an add-service request to the Board for approval, include historical information related to add-services that have previously been approved for the vendor contract.	4. Contracts (Melissa Payne)
51	TC 13-10	Within six months after full implementation of the updated processes and policies for change orders and add-services, the District should perform a follow-up review to determine whether procedures are being followed.	5. Internal Auditor (Jackie Kim)
52	TC 13-11	Work with Tyler Technologies (the company that licenses the Munis software)	

		Develop a process that ensures the Master Scheduler receives appropriate and sufficient information regarding new construction and professional services contracts that are approved by the Board of Education. Either a copy of the contract can be provided or a contract synopsis can be prepared and provided to the Master Scheduler. This information should be provided within a week of contract approval to ensure that Primavera is updated promptly. Establish a timeline for when the contract information should be entered after receipt by the Master Scheduler.	4. Contracts (Melissa Payne)
63	TC 15-2	Develop and implement a process to ensure that bond program management and staff, construction managers, and third parties responsible for entering information in Primavera are adequately trained and cross-trained. This is particularly important when hiring new staff or consultants. Consider whether providing recurring training or refresher meetings would be appropriate to address deficiencies or problem areas, such as a delay in entering proposed change orders.	6. Engineering Officer (Luis Freese)
64	TC 15-3	Cross-train a District employee in the Primavera functions currently handled by the Master Scheduler, who is a District consultant.	6. Engineering Officer (Luis Freese)
65	TC 15-4	The financial reporting system(s) should include projections related not only to the construction related cost and master planning, but also cost related to the	
66	TC 16-1		

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, su4e5D (n)-0.7 49isu(s)-4. (a)-3.3 (.)4 (T

69 TC 16-4

Draft a "District Business Ethics Expectations" policy which articulates business ethics requirements for vendors, contractors and others doing business with the District Bond Program. Require all vendors, contractors, and subcontractors who will be doing business with the District Bond Program to implement a program requiring their employees sign acknowledgements that they have read and understand the "District's Business Ethics Expectations" policy and the related obligations. This policy can be incorporated within the existing Board policy 9270.

a. Include language in this "District's Business Ethics Expectations" policy which requires vendors, contractors and subcontractors, who will be doing business with the District Bond Program, to disclose in writing to the District when they make any contribution or donation to any organizations or nonprofit charitable organizations in any way related or connected to the District or District Board member and any contributions to campaigns for District Board members and Bond campaigns.

b. This "District's Business Ethics Expectations" policy should also address:

i. District expectations that vendors, contractors, and subcontractors, while performing contract work, maintain business ethics standards aimed at avoiding any impropriety or conflict of interest which could be construed to have an adverse impact on the District's best interests.

ii. Vendors, contractors, and subcontractors shall permit interviews of employees, reviews and audits of accounting or other records by District representatives to evaluate compliance with the spirit of these business ethics expectations.

c. Require Board members and District staff to fully disclose to the Board in writing any solicitation of contributions from vendors, contractors, subcontractors doing business with the District organizations related to campaigns and other organizations with some connection to the District and/or the District Bond Program. Encouragement

76 FI1-1

		Work with Tyler Technologies, the company that licenses the Munis software, to modify the budgeting function in Munis so that backdating of data entry is limited only to the prior accounting period.	3. Bond Fiscal (Mark Bonnett)
83	FI2-3		
		Ensure that the written procedures (recommended in TC5-2 and TC6-2) related to the development of detailed, multi-year, line-item budgets for the approved bond projects (e.g. 21 priority schools) and the budget verification in Munis are implemented to prevent deficit spending.	3. Bond Fiscal (Mark Bonnett)
84	FI2-4		
		Establish a procedure that requires that additional information be provided to the Board whenever a subcommittee (such as the Facilities Subcommittee) makes a recommendation to the entire Board that is contrary to the District staff recommended to that subcommittee. The information presented to the full Board should clearly identify the staff's recommendation, the basis for that recommendation, and the reason(s) that the recommendation was rejected. For example, the same presentation packet that is provided to the Subcommittee by the staff in making the recommendation should be provided to the full Board in the agenda package.	1. Operations (Lisa LeBlanc)
85	FI3-1		
		District contracts with vendors that use services of subcontractors should specify that the District vendor is required to pay its subcontractors within a certain number of days and include that these payments are subject to audit by the District or assigned representative.	4. Contracts (Melissa Payne)
86	FI3-2		
87	FI3-3		

		The District should consult with legal counsel to determine whether further course of action is appropriate for work steps (C). Specifically, for work step C (Billings for Sick And Vacation Time) it appears that the District paid SGI $106,150 for sick, vacation, and any other type of paid time off that was expressly not authorized under the contract. District may want to consider appropriate course of action including expanding scope for further testing and appropriate action to recoup any monies paid out to SGI and not authorized under the contract with SGI.	1. Operations (Lisa LeBlanc)
91	FI3-7	The District should consult with legal counsel to determine whether further course of action is appropriate for work steps (C), (E), and (F). Specifically, the failure of SGI to provide requested documents and allow interviews of SGI personnel, which resulted in a scope limitation of the work VLS was able to perform for these work steps. Therefore, SGI may have been in breach of the Right to Audit Clause of the contract between the District and SGI by failing to provide VLS access to requested documents after reasonable notice was provided.	1. Operations (Lisa LeBlanc)
92	FI3-8	Ensure that a comprehensive analysis is performed, which includes a review by legal counsel prior to entering into contract negotiations to ensure that the terms of the contract are competitive and reflective of industry standards, includes the necessary contract language, and is in the best interest of the District. Additionally, any RFP process should include a review of costs, rates, and qualifications. Additionally, the District should perform a cost analysis prior to allowing vendors to add certain office support staff to evaluate if these positions can be filled directly by the District at a lower cost.	4. Contracts (Melissa Payne)
93	FI4-1	Ensure that all contracts contain a clause specifying the duration of the contract, which includes a specific start and end date as well as a not-to-exceed contract amount. Under no circumstance should the District enter into a contract that does not clearly state an end date and a contract amount. If a contract includes hourly labor rates, ensure that these rates are clearly	
94	FI4-2		

97	FI6-3	As required by Education Code Section 15280 (a) (1), Bond Program resources should not be used to support the CBOC. The CBOC in conjunction with the District should establish a visible separate budget under a District official and charge District time and cost incurred by District staff to support the CBOC in order to provide a transparent and accountable picture to the CBOC members, the District Board, and the public.	1. Operations (Lisa LeBlanc)
98	FI7-1	When issuing Requests for Proposals (RFP) related to design services, require architects to submit their proposals using the OPSC fee schedule as a basis for their fees. For specialty services that may not fit within the OPSC fee schedule, require that architect proposals include the basis for their fee structure so that it can be analyzed along with qualifications of the architect. Ensure that the RFP process allows for competition with pricing.	4. Contracts (Melissa Payne)
99	FI7-2	If the District wishes to continue using a pool of pre-qualified architects, require that multiple architects submit fee proposals for evaluation by the District. This will help ensure that the District is obtaining competitive prices for the services performed.	4. Contracts (Melissa Payne)
100	FI7-3	If the District performs professional services, including, but not limited to, geotechnical, hazardous materials studies, and traffic mitigation, ensure that any reports or drawings related to those services are included in the project prior to going out to bid. If architect design services are required for the project, ensure these reports or drawings are provided to the architect early in the design process. This will help prevent claims from architects related to delays caused by unknown site or other conditions..	6. Engineering Officer (Luis Freese)
101	FI7-4	Enforce the contract language that requires an architect to design a school (or other project) to a pre-established construction cost budget. If the architect delivers design plans that result in a higher construction cost budget, require that the architect revise the plans to meet the established budget. Should the District decide to continue with the plans that have a higher construction budget, document in writing with the architect that their fee will not increase as a result of the increased construction costs.	6. Engineering Officer (Luis Freese)

Request that District legal counsel perform a thorough review of the architect contract template to ensure it contains provisions that are in the best interest of the District and designed to save on architect fees. Update the architect contract template as necessary and incorporate the following:

a. Revise provisions that include the terminology “reasonable,” “unreasonable,” or “significant” and provide specific time periods and/or definitions so that the contract is not subject to interpretation by the parties.

b. Revise provisions that allow the District and architect to communicate

102 FI7-5

108

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
1. Operations (Lisa LeBlanc)				Employ methods of reaching out to the entire community to advertise the opportunity of membership in the CBOC. These methods may include posting the need on the District website, inclusion in newsletters already used to communicate with District families, and newspaper advertising (if this method does not prove to be cost prohibitive).	October-16	October-16	October-16	Added openings to the District website on October 1. Will add openings to the District eNewsletter on Nov. 1. 6 (8pna5]TJEMC T-0.003I[op)-2.I[op)-2.2 (op)-2y M (ov)-0a (1t)1.7	
	1	TC 1-1	Low						

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
2. Superintendent (Matthew Duffy)	4	TC 4-1	Med	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					

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2. Superintendent (Matthew Duffy)	9	TC 4-6	Med	Develop and implement a Board member training calendar that is hosted directly by the District. This training calendar should be designed to ensure that all Board members receive the training at least annually and new Board members receive the training within one month of taking their position. The training should be presented by someone that is experienced with district board governance issues, such as an attorney. The training should cover all of the items included in the Governance Handbook. This would ensure that all Board members are receiving the necessary training and provide Board members with an opportunity to ask questions.	January-17	January-18	January-17	Workshop/training for Board conducted by attorney covering Governance Handbook provisions. Workshop/training for Board conducted by attorney covering Governance Handbook provisions. Workshop completed on 1-25-17 on: The role of the Board, Brown Act/Board Communications, Board Meeting Process and Procedures, Conflict of Interest. Superintendent to schedule annual trainings with the Board.	

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
3. Bond Fiscal (Mark Bonnett)				Develop and implement written procedures related to the development of detailed, multi- year, line-item budgets for the twenty-one (21) priority schools based on the Implementation Plan. The written procedures should include the process and timing for when detailed budgets will be prepared, approved, and entered into Munis. The written procedures should also include the following: a. The detailed, line-item budgets for projects should be entered in Munis as the beginning of each fiscal year so that					
	11	TC 5-2	Med						

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
3. Bond Fiscal (Mark Bonnett)				Require that the budget verification performed in Munis by the Sr. Facilities Planning Specialist be performed prior to the approval of contracts and change orders by the Board. This will ensure that there is sufficient budget for a contract prior to Board approval. If funds must be transferred to increase the available budget, notify the Board of this transfer or budget revision at the time that the contract is approved for better transparency to the Board and public related to the impact of contract approvals. Additionally, as recommended in TC6-6, ensure that the appropriate Board action is taken to approve budget amendments/transfers. The recommended timing for these actions is as follows: a. Transfer between major object codes (no impact on ending fund balance) – at least monthly to satisfy the requirements of California Education Code. b. Transfer of fund balance (decrease/increase in ending fund balance) – as a separate agenda item at the same Board meeting at which the contract is presented for approval/ratification.	December-16	December-16	December-16	Developed, presented, and Board ratified resolution for budget revisions, resulting transfers, increases and/or decreases for the 2016-17 budget. The first resolution of this type included budget increases and transfers from fund balance. See attached Board documents. Board approval November 16, 2016.	Implemented
	13	TC 6-2	High						
4. Contracts (Melissa Payne)									
	14	TC 6-3	High						

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
3. Bond Fiscal (Mark Bonnett)	17	TC 6-6	High	Develop a form that can be used by the Bond Finance Department to reflect the budget amendment/transfer transactions entered into Munis from the Project Budget Amendment/Transfer Form(s). The form can be used as the District's written resolution for budget amendments and transfers between expenditure classifications. Take the new form to the Board as budget revisions for ratification and certification at its regularly scheduled meetings on a timely and consistent basis (at least monthly). Maintain a log of budget revisions approved by the Board with totals for each expenditure classification. This log can be used in the preparation of Interim Reports as the Board Approved Operating Budget. This log can also be used to determine the ending fund balance for the Building Fund whenever there is an amendment (increase or					

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
4. Contracts (Melissa Payne)	36	TC 11-2	Med	Implement the invoice rejection letter as soon as practical.	October-16	March-17	March-17	The process for rejecting an invoice is currently being performed by staff. The development of the full procedure and staffing assignments is in process. See ML#35	Implemented
5. Internal Auditor (Jackie Kim)	37	TC 11-3	Med	After full implementation of the vendor invoice rejection letter process, the District should perform a review of vendor payments exceeding the 30 day limit to determine (1) if the late payment was a result of a breakdown in District internal controls or vendor hindrance, and (2) if due to a vendor hindrance, was the invoice rejection letter used to support the reason for the late payment. This review should be performed approximately three months after full implementation of the vendor invoice rejection letter to ensure that the process is working and has improved the timeliness of vendor payments.	July-17	January-18			Future
4. Contracts (Melissa Payne)	38	TC 11-4	Med	Ensure that vendor invoice payments are processed only after all required signatures are present on the Payment Approval Form. Alternate signers should be identified in the event that a required signer is out on an extended absence and there is an urgent need for payment.	October-16	October-16	October-16	The Facilities PlanmP.8 (6)]TJEMC /P <1.5 (tr.3 ()-8.(i)-8.9.8 (es)-11	

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
4. Contracts (Melissa Payne)				Develop written procedures or a policy to address the District's involvement in the prequalification of individuals employed by professional services vendors and working on the District bond program or bond projects. This should include assigning District staff that is responsible for reviewing and approving staffing added throughout the term of the contract to ensure that the add12.2 (f)-1.4 (i)-8.9 (nd)-0.6 (-5.1 (i)-8.9 86 (i)-8.9 (9 (n)-0.6 (g4-5.4 (t)1.2 (i4s)-11.2 (t)1.2 (r)1.(ul)-8.9 (d)-0.6 (nee.5 (d)-1(pr)1.5 (o)-12.2 (v)--11.2 (t (d)-0.6 (n)-0.6 (c)-11.3 (p.6 (g4-5-5 (i)-8.u)-5.4 (s)-11.3 (12.2 (f)-1.4 (i)-8					
	40	TC 12-1	Med						

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
6. Engineering Officer (Luis Freese)	43	TC 13-2	Med	Require the Director of Contract Administration and Chief Engineering Officer to initial and date the change order packet (or a separate, attached form) to document the review that is performed prior to the change order going to the Associate Superintendent of Operations and Bond Program in preparation for Board approval. This will provide the proper audit trail to document that this review took place.	October-16	December-16	October-16	The District implemented a change order checklist to verify that all required signatures and documents are included,	

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
4. Contracts (Melissa Payne)	47	TC 13-6	Med	Develop detailed, written procedures for the add-service review and approval process. The written procedures should: a. Identify each step in the review and approval process. b. Identify all forms to be used in the add-service approval process, the purpose and work flow of the forms, and the proper review and approval signatures required on the forms. c. Identify what documents should be maintained as support with the add-service packet. d. Incorporate appropriate sections in the written procedures to address all recommendations included below. Detailed, written procedure documents will provide clear guidelines for District staff to follow and consistency when there is staff turnover.	October-16	September-17			Under Review / In Process
4. Contracts (Melissa Payne)	48	TC 13-7	Med	Ensure that the Proposal Approval Checklist Form is used with every add-service proposal. Add appropriate sections to the form to include the necessary signature/initials of the Associate Superintendent of Operations and Bond Program to allow documentation of recommendations TC13-8 and TC13-9.	October-16	February-17	February-17	The Proposal Approval Checklist form is used for every add-service proposal.	Implemented
4. Contracts (Melissa Payne)	49	TC 13-8	Med						

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
3. Bond Fiscal (Mark Bonnett)				Determine whether the reports currently being prepared by the					
	59	TC 14-7	High						

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
4. Contracts (Melissa Payne)	63	TC 15-2	Med	Develop a process that ensures the Master Scheduler receives appropriate and sufficient information regarding new construction and professional services contracts that are approved by the Board of Education. Either a copy of the contract can be provided or a contract synopsis can be prepared and provided to the Master Scheduler. This information should be provided within a week of contract approval to ensure that Primavera is updated promptly. Establish a timeline for when the contract information should be entered after receipt by the Master Scheduler.	October-16	September-17			Under Review / In Process
6. Engineering Officer (Luis Freese)	64	TC 15-3	Med	Develop and implement a process to ensure that bond program management and staff, construction managers, and third parties responsible for entering information in Primavera are adequately trained and cross-trained. This is particularly important when hiring new staff or consultants. Consider whether providing recurring training or refresher meetings would be appropriate to address deficiencies or problem areas, such as a delay in entering proposed change orders.	October-16	September-17			Under Review / In Process
6. Engineering Officer (Luis Freese)	65	TC 15-4							

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
1. Operations (Lisa LeBlanc)				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.	January-17	July-2017 Revised Dec. 2017			Under Review / In Process
	69	TC 16-4	Med						
3. Bond Fiscal (Mark Bonnett)				Include footnotes in the Financial Status Reports and Cash Flow					
	70	TC 16-5	Med						

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
3. Bond Fiscal (Mark Bonnett)	74	TC 16-9	Med	Consider using the term “commitments” instead of “encumbrances” when referring to amounts for contractual work the District is currently committed to over the life of the project.	December-16	June-17	May-17	Will use word "commitments" instead of "encumbrances" on multi-year report.	Implemented

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
1. Operations (Lisa LeBlanc)				Draft a vTEMC Bt.Tmd[R)-9 8(t.(a)3.6 (258.9 (-1)]T.9 (o.7599 Tm[S)-12.8(e)C Q					
	76	FI1-1							

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
4. Contracts (Melissa Payne)				Revise the current right to audit clause included in vendor contracts to include the following: At no additional cost to the District, vendor will provide the District, or its authorized representative(s), reasonable access to					
	88	FI3-4							

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
1. Operations (Lisa LeBlanc)				As previously stated, the professional standards promulgated by the American Institute of Certified Public Accountants (AICPA) and the Association of Certified Fraud Examiners (ACFE) prohibit VLS from rendering an opinion as to whether there has been any fraud, criminal activity, corruption or bribery by anyone associated with this engagement. Therefore, VLS renders no opinion as to whether there has been any fraud, criminal activity, corruption, or bribery by anyone associated with this engagement. However, VLS recommends that legal counsel provide guidance and counsel to the Subcommittee for the Clay Investigation and the Board to determine whether this report should be referred to the appropriate law enforcement agencies for appropriate action.	October-16	October-16	October-16	Legal counsel was consulted and had closed session discussion with Board resulting in direction on this matter.	Implemented
	90	FI3-6							
1. Operations (Lisa LeBlanc)				The District should consult with legal counsel to determine whether further course of action is appropriate for work steps (C). Specifically, for work step C (Billings for Sick And Vacation Time) it appears that the District paid SGI $106,150 for sick, vacation, and any other type of paid time off that was expressly not authorized under the contract. District may want to consider appropriate course of action including expanding scope for further testing and appropriate action to recoup any monies paid out to SGI and not authorized under the contract with SGI.	October-16	June-17 Rev. Dec-17		Legal counsel consulted and provided attorney-client privileged memorandum to District and h3 (a)-5.6 (t)961 5 (u)-1.6 (t)1.3y(k	
	91	FI3-7							

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
4. Contracts (Melissa Payne)				Ensure that a comprehensive analysis is performed, which includes a review by legal counsel prior to entering into contract negotiations to ensure that the ter35.1715 a1.5 (s)-12.231.6 (1t9/9-5.6)-5.5 6 (2 (n)-1.5 (s)o)-13.2 tentre(s)-12.3 (u)-1.5 (c)-6.7 ()]TJETQBT-T013t a c(mp)-0.6 (l)-8.9mplads b2 (r)1.5 (a)-5. (l)-8.9 a(i)-8.9 (nnc)-6.7 uocoPc					
	93	FI4-1							

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
1. Operations (Lisa LeBlanc)				As required by Education Code Section 15280 (a) (1), Bond Program resources should not be used to support the CBOC. The CBOC in conjunction with the District should establish a visible separate budget under a District official and charge District time and cost incurred by District staff to support the CBOC in order to provide a transparent and accountable picture to the CBOC					
	97	FI6-3	High						

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
4. Contracts (Melissa Payne)				Request that District legal counsel perform a thorough review of the architect contract template to ensure it contains provisions that are in the best interest of the District and designed to save on architect fees. Update the architect contract template as necessary and incorporate the following: a. Revise provisions that include the terminology "reasonable," "unreasonable," or "significant" and provide specific time periods and/or definitions so that the contract is not subject to interpretation by the parties. b. Revise provisions that allow the District and architect to communicate instructions verbally. All communications and instructions related to the architect's performance of work should be done in writing. c. When titles are included in certain contract provisions, ensure that the person(s) holding those titles are identified.	October-16	January-17	January-17	Legal counsel reviewed the recommendations and provided contractual revisions to strengthen the existing contact and amendment templates. Friday Memo to the Board (12-30-16)	Implemented
	102	FI7-5							
4. Contracts (Melissa Payne)				Implement a competitive process for obtaining proposals related to master planning services to ensure that the District is obtaining reasonable fees.	October-16	October-16	October-16	This is current practice.	Implemented
	103	FI7-6							
4. Contracts (Melissa Payne)				Ensure that contractors for projects requiring bid procedures are always approved by the Board only when the bid process, including conclusion of the bid protest period, has been completed. Ensure that information regarding bids received and selection of the lowest, responsivep5T3 (po)-16 0 0 8.7227.13-0.6 ( )]TJT[1.5 (ec)-6.7 ((ng 27.13-0e[Oc)-6. ip)-0.6 (o)-122e5r)1.626. ipo-122e5r0(w)-2.3ei					
	104	FI8-1							

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
6. Engineering Officer (Luis Freese)	107	FI11-1		Enforce the guidelines included in "specification section 0070" of the General Conditions section of general contractor agreements, which requires that general contractors submit Proposed Change Orders within five days of the knowledge of the circumstances resulting in the Proposed Change Order. This will ensure that the District is made aware of contractor requests in a timely manner and will result in more accurate reporting of potential project costs.	October-16	March-17	March-17		Implemented
3. Bond Fiscal (Mark Bonnett)	108	FI11-2		VLS acknowledges that the system the District was using when multiple purchase orders were issued for a single contract was BiTech, the District's former financial software, which is different from the current financial system. The District is currently using the purchase requisition/order and contract module in Munis. VLS recommends that the District continue the use of the current numbering system in the Munis financial software for the bond related contracts to prevent the occurrence of issuing multiple purchase orders for a single bond related contract.	December-16	December-16	December-16	The Munis contract module does not allow the use of multiple numbers for individual and separate contracts. Each contract will have a unique and separate contract number.	Implemented
5. Internal Auditor (Jackie Kim)	109	1		The District should ensure that an effective FRAUD REPORTING MECHANISM is in place for reporting known or potential wrongdoing impacting the District Bond Program. Some key considerations in implementing should include: There is an anonymous reporting channel available such as a third-party hotline The hotline should be available to not only District employees, but also any organization doing business with the District and the general public The hotline is advertised and communicated effectively Employees trust that they can report suspicious activity anonymously and/or confidentially and without fear of reprisal That reports of suspicious activity will be promptly and thoroughly evaluated	November-16	January-17	January-17	Fraud Hotline will be added to the website and brochures and posters will be distributed to each school site and department by January 31, 2017	Implemented

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
5. Internal Auditor (Jackie Kim)	110	2		The District should ensure that ongoing FRAUD and ETHICS TRAINING is provided to all employees of the District, especially					

Resp. Party	ML	Ref.	Priority	Recommendation	Start Date	Completion Date (Est.)	Completion Date (Act.)	Deliverables	Status
1. Operations (Lisa LeBlanc)				VLS strongly encourages the establishment of a "Recommendations Implementations Task Force" so accountability measures are put in place b2.2 (n)-0. 8.76 2.6 .08Ti aoTasurs of 8.76 2(h)-0.6 (ent)132 (a)-5.5 (s)-11.2 kA(f)-1.4 (o)-12.					
	112	4							