

**Roanoke City Public Schools
Audit Committee Meeting**

June 23, 2016

11:00 AM to 1:00 PM

School Administration Building

Board Conference Room

1. Call To Order
The Committee Chair will call the meeting to order.
2. Approval Of The Minutes From The Last Audit Committee Meeting
Committee minutes from the March 17, 2016 meeting

Documents: [2016 MAR17- MINUTES RCPS AUDIT COMMITTEE.PDF](#)
3. General Audit Plan - Brown Edwards & Company, For The 2016 Financial Audit
Briefing on the plans for the annual audit of the School Division's Comprehensive Annual Financial Report

Documents: [BEC GENERAL AUDIT PLAN.PDF](#)
4. Transportation Follow Up Audit
Report on the status of management action plans from the 2012 audit of transportation

Documents: [REPORT - FOLLOW UP TRANSPORTATION \(2016\).PDF](#)
5. Annual Audit Plan For FY 2016-17
Discussion of preliminary audit objectives for the 2016-17 school year to be recommended to the Board

Documents: [FY17 RCPS AUDIT PLAN.PDF](#), [FUTURES EDUCATION RECOMMENDATIONS 2013.PDF](#)
6. Other Business
The Committee Chair will ask members of the Committee and staff if they have any other business for discussion.
7. Adjournment
The Committee Chair will adjourn the meeting.

**Minutes of the Roanoke City School Board Audit Committee
March 17, 2016**

Audit Committee Members Present:

Bill Hopkins, Committee Chair
Laura Rottenborn, Committee Member

Others Present:

Steve Barnett, Assistant Superintendent for Operations
Kathleen Jackson, Chief Financial Officer
Donna Caldwell, Director of Accounting Services
Cari Spichek, Senior Auditor, City of Roanoke
Drew Harmon, Municipal Auditor, City of Roanoke
Sarah Gregory, Roanoke Times

1. Call to Order

Mr. Hopkins called the meeting to order at approximately 9:05 AM.

2. Update on Current Audit Work

Mr. Harmon reviewed the completed work from the 2015/16 audit plan. Mr. Hopkins noted that there was no report date for the 21st Century Grants audit. Mr. Harmon responded that the 21st Century Grant work was not in the audit plan and that Auditing had worked with management to review specific aspects of the grant. Auditing did not prepare a formal report.

The audit of fixed assets and equipment has been essentially completed and the report is being developed. Mr. Harmon noted that management faces some challenges related to completing the required annual inventory of fixed assets costing over \$500. He anticipates the final draft of the report will be ready by mid-April.

Auditing will follow up with departments who have completed their action plans this past year. This includes Transportation, Student Testing, Facilities, and Grounds. Ms. Rottenborn asked about Student Testing. Mr. Harmon responded that Jean Pollock and John Lincoln had important responsibilities related to managing student testing for which the processes had not been formally documented. Auditing would like to confirm procedures have been documented. Mr. Harmon also explained that the work order process in Facilities was in transition when Auditing last looked at it. The audit was suspended until changes were completed. Auditing will follow up with Facilities to evaluate the improvements.

Mr. Harmon mentioned that he had also met with management regarding things to consider as they begin managing the contract for food services. They plan to meet again before June 30 to review protocols for overseeing contractor performance. Mr. Hopkins remarked that Dick Willis, School Board Member, has been designated by the Board as the Food Services Committee representative. He asked that Mr. Willis be included in future meetings.

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Finally, Mr. Harmon noted that the annual risk assessment required by auditing standards is in progress and would be discussed in more detail later in the meeting.

Time and Attendance Audit: Mr. Harmon thanked Ms. Jackson and Mr. Barnett for providing a timely response to the audit and for their help and cooperation during the audit. Personnel accounts for approximately 67% of the school division's overall costs. It is important that controls be in place to help ensure time worked is accurately recorded. The audit specifically looked at overtime, paid leave and extra duty work. Mr. Harmon noted that the school division uses an integrated system from Harris software for accounting and payroll processes [Aptafund]. The time and attendance system is a Harris product and can be integrated with AptaFund. It significantly reduces the risk of fraudulent time reporting since each employee is assigned a badge and has to swipe in and out of the system to record hours worked. Mr. Harmon noted that the system has significant potential to reduce paper work and improve oversight of time and attendance, when more fully developed.

Mr. Hopkins asked if everyone at the meeting had clocked in, to which everyone responded "yes." The division's policy is for all employees, hourly and salary, to clock in and out. Mr. Harmon commented that this policy keeps things simple and sends the message that the expectations are the same for all employees.

Mr. Hopkins asked if any savings were identified from the audit. Ms. Jackson responded that a task force will be created to understand the various levers creating the need for overtime. This may identify opportunities for reducing overtime and associated expenses.

Mr. Hopkins referred to a statement in the audit report indicating that the process for approving overtime provides no significant control value. Mr. Harmon confirmed this was the conclusion reached by Auditing. Ms. Rottenborn asked about the pre-approvals required for overtime. Ms. Jackson responded that overtime may be planned in advance or may arise from emergencies. The quarterly requests were intended to include both types of overtime. Mr. Harmon noted that the previous process required supervisors to complete a request form for each employee involved. Ms. Jackson added that the requests were usually received after the overtime had already been worked. Mr. Harmon noted that the system can be used to report the hours and reasons for emergency overtime. Reviewing reports from the system would be more beneficial than reviewing paper forms.

Mr. Hopkins asked if there were any other comments or questions. Hearing none, he asked Mr. Harmon to proceed to item #3.

3. Audit Plan Development – FY 2016/17

Mr. Harmon explained the purpose of the risk assessment, noting that it provides a quantifiable ranking that involves significant subjectivity. The ranking provides insight but is not intended to be the only consideration when deciding on an audit plan. Additionally, he pointed out that the criteria for reputation impact were based on the City's bi-annual citizen survey.

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Mr. Hopkins asked if the time since the last audit was a significant factor, noting that Student Health was at the bottom of the risk ranking and had just been audited last year. Mr. Harmon confirmed that the time since last audit was significant factor, but that the favorable results from the audit of Student Health also reduced its risk ranking.

Mr. Harmon noted that the Audit Committee and the Board have traditionally wanted outsourced services to be audited two to three years into the contract. The contract with the company providing substitute teachers will have been in effect for 18 months by July 1. Mr. Hopkins and Ms. Rottenborn would like the 2016/17 audit plan to include an audit of this contract to be performed after January 1, 2017.

The area with the highest risk ranking is IT security. Mr. Harmon suggested that 2016/17 audit plan allocate time for the Information Systems Auditor to meet with the Director of Technology and his Coordinators as time permits. This would enable the Information Systems Auditor to develop relationships with IT management and to create an overview of the department. Mr. Harmon noted the risk assessment currently breaks IT into four auditable areas: security, applications, infrastructure and PC replacement. These areas are somewhat general and might be expanded once an overview is completed. While PC replacement seems to be a significant function of IT given the thousands of computers utilized by the Division, the survey of IT may not support this conclusion. An audit would be developed for the 2017/18 plan. Mr. Hopkins and Ms. Rottenborn supported this approach.

Mr. Hopkins and Ms. Rottenborn asked how many audits are included in the annual plan. Mr. Harmon responded that the plan typically includes three (3) significant audits, external audit coordination, and follow up on any action plans due to be completed during the year. The IT survey would not count as one of the three significant audits.

Special Education is second in this year's risk ranking, represents significant costs, and is highly regulated. It is an area that has been considered for inclusion in the audit plan in recent years. There are many areas that could be considered, including compliance, reporting, cost analysis, or Medicaid billing. Mr. Hopkins and Ms. Rottenborn asked that a preliminary scope for an audit in this area be developed for consideration.

Grant Management is third in the risk ranking and has also been considered in recent years for the audit plan. Competitive grants have been a significant source of funding for the Division. The processes for identifying and applying for grants have never been audited and are largely performed by one person. Mr. Hopkins and Ms. Rottenborn asked that a preliminary scope be developed.

Accounting ranks fourth in the risk ranking and has not been audited recently. The processes for developing the operating budget and the capital improvement plan have been identified in past years as potential audit areas. The current line item budget provides insightful information, including a complete listing of approved positions by cost center and location. However, there are models and guidance that suggest additional information should be considered for inclusion in the published budget.

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Athletics have also been discussed and considered for audit in recent years. Athletics did not rank as a high risk area, but is a focus area for the Division's strategic plan. In 2009, the Board adopted a plan for athletics designed to increase participation and improve competitiveness.

Auditing will meet with Ms. Jackson, Mr. Barnett and other administrators to further develop the areas suggested by the Committee. Mr. Hopkins will gather input from other members of the School Board over the next 30 days. The Audit Committee will convene again in June to finalize an audit plan to recommend to the full Board.

4. Other Business

There was no other business.

5. Adjournment

Mr. Hopkins adjourned the meeting at approximately 9:50 AM.



Your Success is Our Focus.

John Aldridge, CPA
Partner



Roanoke City Schools

General Audit Plan

FY 2016

Audit Plan

- Services to be performed by Brown, Edwards:
 - We will perform a full scope audit of Roanoke City Schools in accordance with auditing standards generally accepted in the United States of America, *Governmental Auditing Standards* issued by the Comptroller General of the United States; *Specifications of Audits of Counties, Cities, and Towns*; and *the Uniform Guidance (the Single Audit Act)*. *This will include an examination of VRS in accordance with APA specifications.*
 - We will also perform an audit of the recorded cash receipts and expenditures of the School Activity funds in accordance with auditing standards generally accepted in the United States of America and *Governmental Auditing Standards*

Audit Objective

- The objective of our audit will be the expression of an opinion on the fairness with which the financial statements present the financial position and results of operations in conformity with:
 - Accounting principles generally accepted in the United States of America – CAFR
 - Attestation standards established by the AICPA – VRS Examination
 - Basis of Cash Receipts and Expenditures – School Activity Funds

Audit Approach

- Three phases:
 - Planning
 - Interim Field Work
 - Final Field Work

Audit Approach - Continued

- Planning
 - Will be performed at the commencement of the engagement and involves accumulation and evaluation of data relative to the economy and industry of the client.
 - We will meet with management to discuss the audit, unusual accounting problems, audit efficiency suggestions, and any new audit considerations or required disclosures.

Audit Approach - Continued

- Planning – Continued
 - During planning we will specifically:
 - Provide management with information requests
 - Meet with management to address unusual or new accounting/auditing issues up front
 - Identify significant audit areas
 - Make a preliminary evaluation of internal controls, a preliminary assessment of risk, identify key audit areas, and determine levels of materiality.
 - Do preliminary Activity Fund and VRS testing.
 - Timing – June 2016

Audit Approach - Continued

- Interim Field Work
 - Will be performed prior to or shortly after the School's fiscal year end. Will include:
 - Single audit compliance testing of major programs
 - Updating internal control documentation and appropriate testing of those controls
 - Fraud inquiries
 - Testing of journal entries and other walkthroughs
 - Read minutes of the School Board
 - Timing – First 2 weeks of June.

Audit Approach - Continued

- Final Field Work
 - The final phase of the audit is performed after the Schools fiscal year has ended.
 - Currently, the management proposed schedule is as follows:
 - Information requests provided to Brown, Edwards by September 26 (School Activity Funds August 8th)
 - Delivery of a draft CAFR for auditor review by October 10
 - Conclusion of evidence gathering and review of the CAFR by October 31

Audit Approach - Continued

- Final Field Work – Continued
 - During final field work we will:
 - Review and finalize financial statements and disclosures
 - Analyze and audit significant year-end accounts
 - Wrap up school activity fund transactions and VRS testing(1st and 2nd week of August)
 - Update interim analytical review
 - Prepare final management letter accounts
 - Issue independent auditor's reports

Significant Audit Areas

- This year we anticipate the significant audit areas to be as follows:
 - Intergovernmental Revenue – primary source of revenue for Schools. Audit procedures will include: review significant fluctuations, determine proper receivable and/or deferred revenue amounts
 - City transactions – We will confirm due to/from amounts with City during field work to avoid end of audit confusion.

Significant Audit Areas - Continued

- Payroll – largest portion of the School’s expenditures relate to payroll and related activities. Audit procedures will include: Testing of year end accruals for payroll, OPEB, workers compensation, **health insurance liabilities**, and compensated absences; analytical review of payroll related expenditures
- Program expenditures – the rest of the School’s expenditures relate to providing public education services under federal programs. We will test the cutoff of accruals of these expenditures as well as analytically test expenditures. This will be done in conjunction with our compliance testing of program expenditures.

Single Audit Testing

- Due to no internal control weaknesses and no significant findings in 2014 and 2015, Schools are “low risk” auditee. We can now plan to test 20% of your total federal awards.
- Cyclical testing or stimulus fund requirements may cause us to test more.

Single Audit Testing - Continued

- Major programs selected for testing:
 - Assuming relatively stable amounts of expenditures (\$19 - 20 million in total).
 - Will test:
 - Special Education Cluster
 - Title IV-B Community Learning Centers
 - Title II-A Improving Teacher Quality
 - Possibly another program depending on preliminary estimates

Engagement Staffing

- All senior members of the engagement team have prior years' experience with Roanoke City Schools. All key members of the audit team have experience with local government audits, including school boards, and meet the continuing education requirements of *Govt. Auditing Standards*
- Engagement Partner – John Aldridge, CPA
- Engagement Partner – Chris Banta, CPA, CFE
- In-charge Associate – Justin Martin, CPA
- Other assurance staff

MUNICIPAL AUDITING REPORT CITY OF ROANOKE



RCPS Transportation Follow-Up May 31, 2016

Report Number: 16-016
Audit Plan Number: 16-109

*Municipal Auditing Department
Chartered 1974*

www.roanokeva.gov/auditing
Phone 540.853.5235

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AUDIT OBJECTIVES & SCOPE

Audit Objectives:

1. To determine that GPS units are properly functioning in all full-service buses and that management has developed a data management plan for the GPS data.

Yes with exceptions – We conclude that GPS units appear to be properly functioning in all full service buses as of April 13, 2016, but a data management plan has not been developed or implemented for the GPS data.

2. To determine that bus inspections are performed within Virginia Department of Education [VDOE] limits and Mountain Valley Transportation policy.

Yes with exceptions – We conclude that bus inspections are performed within VDOE limits but not within Mountain Valley Transportation policy. Bus inspections continue to be performed at shortened intervals.

Audit Scope:

We reviewed GPS unit documentation from April 2016, and discussed data management with Mountain Valley Transportation management personnel. We reviewed bus inspection records from April 1, 2015 through March 31, 2016, and bus out-of-service records from July 1, 2015 through March 31, 2016.

End of Audit Objectives and Scope

BACKGROUND

In April 2009, Roanoke City Public Schools [**RCPS**] entered into a Transportation Services Agreement [**TSA**] with Krapf, Jr & Sons, Inc, for the purpose of providing transportation of school students to and from RCPS's schools, sporting events and various extracurricular activities. Krapf subsequently established a wholly-owned subsidiary, Mountain Valley Transportation, to fulfill its contractual responsibilities which include the following:

- Operating expenses of all vehicles [including maintenance costs]
- Modernizing the fleet and maintaining an average bus age of seven (7) years
- Titling, registration and licensing of all vehicles
- Payment of all applicable taxes
- Maintaining a good public relations program
- Permitting only trained and competent drivers to operate buses
- Monitoring drivers' compliance with licensing regulations
- Administering a satisfactory safety program
- Providing written accident and breakdown reports

Roanoke City Public Schools maintained responsibility for:

- Supplying diesel fuel/gasoline for buses
- Scheduling and revising bus routes

The district maintained two [2] employees in its Transportation Division, the Director and Assistant Director of Transportation. They ensure adequate service levels, coordinate routes, approve and coordinate field trip requests, review and approve Mountain Valley Transportation invoices, monitor driver training sessions, and act as a liaison between the school district and Mountain Valley.

The Municipal Audit Department performed a Transportation audit in 2012 to evaluate specific compliance and performance criteria as specified in the TSA in April 2009, with the following audit objectives:

1. To determine the impact of the transportation services agreement on overall costs for student transportation.
 - a. **Conclusion:** Roanoke City Public Schools increased its investment in transportation and improved the quality of services and the bus fleet.
 - b. **No observations were noted.**

2. To verify improvements to the bus fleet were accomplished in accordance with the Transportation Services Agreement.
 - a. **Conclusion:** Mountain Valley Transportation accomplished the capital improvements required under the Transportation Services Agreement.
 - b. **No observations were noted.**
3. To determine if service level expectations specified by the Division were substantially achieved by the contractor.
 - a. **Conclusion:** Based on survey results, Mountain Valley Transportation substantially achieved the service level expectations of the Division.
 - b. **No observations were noted.**
4. To determine if processes were in place to operate buses safely in accordance with current laws and regulations.
 - a. **Conclusion:** Mountain Valley Transportation's processes supported safe operation of Roanoke City Public School buses overall. There were opportunities to strengthen maintenance processes that would provide more effective and efficient bus inspections. We were unable to determine the level of compliance with State regulations based on the available documentation.
 - b. **The following observations were noted:**
 - i. Malfunctioning GPS Units – nine [9] were not transmitting a signal, eight [8] of which had not transmitted a signal in more than 30 days, and two [2] in more than a year
 - ii. Inspection processes – using the 180-day/15,000 mile inspection checklist for 30-day/2,500 mile inspections significantly increased the time required for inspections; there was no cohesive system to manage fleet maintenance

As a result of the 2012 audit, Mountain Valley Transportation committed to the following action items:

1. To monitor GPS unit functionality weekly and to develop other beneficial uses of the data captured through the GPS system.

2. To replace the Shop Manager and improve shop record-keeping.
3. To require the Shop Manager audit actual work by shop mechanics.
4. To establish a new Maintenance Supervisor role tasked with ensuring the Shop Manager completed periodic audits in an acceptable manner.
5. To develop a relationship with the Virginia Department of Education and promote a principals-based approach to required inspections that promotes more efficient maintenance.
6. To fully implement the Dossier Fleet Maintenance Software and related processes to plan routine maintenance and required inspections at appropriate intervals.

In 2014, Municipal Auditing reviewed Mountain Valley Transportation's progress toward implementing its action plans and resolving the issues observed. Two (2) issues remained unresolved at that time:

1. Mountain Valley Transportation had changed GPS providers and had not developed a plan for utilizing GPS data to improve operations.
2. Mountain Valley Transportation had improved shop record keeping but had continued to inspect buses far more frequently than required by law.

End of Background

Objective 1: GPS Utilization

Management Response / Action Plan (September 2014):

Mountain Valley Transportation will initially be installing 20 new GPS units from Synovia Solutions. If the system performs as expected, the new units will be installed in all full service buses. Management will develop a data management plan as part of the implementation of this new system.

The upgraded GPS system now in use provides real-time capabilities for vehicle tracking and collecting related performance data. Tasks described in the 2012 Findings have been achieved, specifically:

Procedures providing protocols for reporting changes in GPS unit assignments are no longer necessary with the new system. The new system allows interactive assignment and changing of GPS unit to vehicle relationship. The reason this was identified as an issue during the 2012 Audit was because the legacy program for "Everyday Solutions" resided on the RCPS server and required extensive coordination between RCPS, Everyday Solutions, and ATT when reassigning GPS units to new or different vehicles.

Auditors also recommended that management develop a data management plan that:

- Identifies high value data
- Establishes quality controls
- Outlines routine and as-needed uses of the data
- Addresses data archiving and preservation

The upgraded system has the ability to generate data for management analysis or up-line reporting and review. It gives us the ability to establish Key Performance Indicators (KPI's) to monitor performance of drivers and equipment.

We currently have established daily reports to monitor Excessive Idling for the fleet. We intend to use the data to modify driver behavior and reduce the amount of idle time. This, in turn will help reduce fuel usage.

Other reports in use are Excessive Speeding reports and the Daily Diagnostics report that alerts users of GPS units that may not be operating properly.

The data produced from the Silverlining system is archived for user retrieval for 2 years and can be kept indefinitely where needed.

Follow-Up (May 2016) – Issue Not Resolved

We compared the GPS inventory listing to the listing of buses currently maintained by Mountain Valley Transportation to determine that a GPS unit is assigned to every bus in the fleet. While

there does appear to be a specific unit assigned to all buses, we did not physically match each GPS unit to each bus.

We inquired about the process to review and monitor malfunctioning GPS units per the weekly Hardware Health Report, and noted that the report was not reviewed by Mountain Valley Transportation personnel for a period of eight [8] months. This was due in part to the General Manager leaving in August 2015 without having notified the GPS vendor to email the weekly Hardware Health Report to another Mountain Valley Transportation employee. As a result, two [2] GPS units were replaced without updating the GPS system so that they would be recognized as assigned RCPS units, and five [5] units were not reporting data for more than 90 days.

The April 13, 2016 Hardware Health Report indicated that all GPS units were reporting and properly functioning as of April 13.

We discussed the current status of the data management plan with Mountain Valley Transportation management and identified that a formal data management plan has not been implemented. The goal is to have a data management plan on excessive idling and speeding; however, it is not yet in place for RCPS.

End of Objective 1

Objective 2: Premature Inspections

Management Response / Action Plan (2014):

Bus inspection intervals are closely monitored by maintenance personnel with the use of the Dossier system. On occasion, inspection intervals may fall short of VDOE limits (45 days or 5,000 miles); however, seldom (if ever) exceed the mandated timeline. We feel confident that our maintenance practices are superior in scope and in practice and that we adequately maintain the fleet for safe and reliable operation.

In many cases, the inspections are conducted when the mechanic may be performing an extensive repair action that required just about as much time and effort as the full inspection required. Typically, if within 10 days of the 45 day limit, the mechanic will complete the entire inspection. We have found it just as effective to "force" the inspection cycle ahead of schedule because the bus may not be readily available in 10 days.

We have found a few administrative errors where the mechanics performed an inspection at or near the due date/mileage threshold but failed to provide the documentation showing the inspection was completed. The next day another mechanic sees the inspection is not done and repeats the inspection process. These "mistakes" are few but happen nevertheless. We are discussing these issues with our maintenance team and are stressing the importance of communication and completing the proper documentation (attention to detail).

We feel these types of errors do not degrade the mechanical readiness of our fleet nor does it cause the equipment to be less safe. Our maintenance protocol operates on a budget and must maintain strict adherence as do all aspects of our operation. "Excessive" maintenance actions are avoided but in the case of "short-dated" inspections, are viewed as an acceptable error that keeps our equipment in a high state of mechanical readiness. We will continue to focus eliminating errors where possible.

Follow-Up (May 2016) – Issue Not Resolved

We reviewed bus inspection records from April 1, 2015 through March 31, 2016 for a random sample of fifteen [15] buses. We noted that all inspections were performed within the Virginia Department of Education's Preventive Maintenance Manual guidelines of once every 45 school days or every 5,000 miles.

We also reviewed maintenance records for bus inspections performed at too short an interval and identified the following:

- 90 out of 104 [86.54%] inspections were performed before they should have been based on MVT's policy of forcing inspections no earlier than 35 **school days** after the last inspection when a bus is in the shop for other services.
- 15 of 104 inspections [15.46%] were performed on buses that had traveled 500 miles or less since the previous inspection. See table below for a subset of these low-mileage inspections:

Hood Number	Calendar Days Between Inspections	School Days Between Inspections	Miles Between Inspections
H228	5	4	23
H7	37	26	29
H115	39	26	40
H115	31	23	35
H24	11	7	103

Note: Bus H24 is a spare bus and was also found to have been inspected twice in one day

We estimated the cost of the additional inspections performed during a one [1] year period using the following criteria:

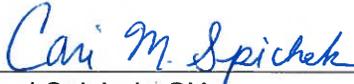
- 1.75 hours to complete an average inspection
- \$70 per hour labor rate
- 3.49 excessive inspections per bus per school year
- 156 buses in the fleet

The estimated cost is \$66,780 and 954 man-hours for an additional 545 bus inspections.

End of Objective 2

ACKNOWLEDGEMENTS

We would like to thank Mountain Valley Transportation personnel, specifically Susan Kramer, Arne Stensaker, Garry Klaiber and Wade Yopp, for their assistance throughout this review. We would also like to thank Stan Crowgey for his time and input.



Cari Spichek, CIA
Senior Auditor



Drew Harmon, CPA, CIA
Municipal Auditor



Mountain Valley Transportation

Professional Drivers Making a Difference

5401 Barns Ave

Roanoke, VA 24019

Phone: 540.777.0101 Fax: 540.777.0612

June 7, 2016

Mr. Drew Harmon, CPS, CIA
Municipal Auditor
Noel C. Taylor Municipal Building
Room 502N
215 Church Avenue, SW
Roanoke, VA 24011

Dear Mr. Harmon:

We are providing our comments to the Municipal Auditing Report – RCPS Transportation Follow-Up (Report #16-016, Audit Plan Number 16-109), dated May 31, 2016.

Malfunctioning GPS Units

This issue has been corrected. We currently have the Operations Manager, our Lead Technician and the Area General Manager receiving a weekly Hardware Health Report. This report shows the units that are not working. Our Lead Technician assigns the inspection/repair of the unit. That technician signs off on the health report stating what the issue was. The hardware health report is then filed.

Premature Inspections

Additional processes have been put in place to ensure premature inspections are not an issue. Our Area Maintenance Manager was able to change the settings in our Fleet Maintenance Program to show vehicles with inspections expiring between 45 and 60 days. This report is produced on Monday mornings and easily accessed by all technicians. Once the inspection is complete, they highlight the vehicle on the list. As an added measure and at your recommendation, we have implemented the use of a window sticker showing the date of inspection. With the additional processes in place, we feel this item has also been corrected.

GPS Data Management Plan

As discussed, we will be implementing a data management plan to review idling and speeding events. We are requesting one year to have this fully implemented. While there is a written process in place, we need to engage the staff to gain a better understanding of the system software along with the reports and data available to us.

The processes we intend to use to identify idling and speeding practices are outlined on the Action Plan Template you provided. I have also attached a copy of a log we will be implementing to record behaviors.

It was a pleasure meeting with you and I appreciate the time you have invested to improve our processes.

If you have questions, please don't hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Sue Kramer".

Sue Kramer
Area General Manager
Mountain Valley Transportation
540-777-0101

Cc: Stan Crowgey, RCPS Director of Transportation

**Summary of Management Action Plans
RCPS Transportation Follow-Up
16-109**

Management Action Plan – Data Management Plan

Idle Alerts

Transportation Assistant Procedure:

1. View daily idling alerts for vehicles that were outside of the allotted five-minute idle time frame. (10 minutes of idle time is permitted during pre-trips and maintenance cold starts)
2. For alerts received during your shift, radio driver and ask them to contact you if they are in a safe location so you can let them know of idle time and confirm location.
3. Enter information on behavior log to include Driver Name, Bus #, location and the exception. Exception to this rule is on cold start days which we only use data after 10:00am
4. Complete column L,M,N (action taken, date action taken, your initials)

Supervisor/Site Manager Procedure:

1. Supervisor/Site Manager to view behavior log daily to be sure driver issues have been communicated. (Best done at the end of business day)
2. Pull past information on driver using filters in row 1 to look driver up by name. This will show history for driver.
3. Record discipline and date (Column O and Column P) based on guidelines established **(See Discipline Tab)**
4. Discipline is based on idle time in excess of 10 minutes.

Speeding Alerts

Procedure:

Transportation Assistant Procedure:

1. Print weekly speeding report on Mondays and provide to Supervisor/Site Manager.
2. Enter information on behavior log to ensure driving issues have been addressed. Must complete driver name, bus number, location and report information.
3. Complete column L,M,N (action taken, date action taken, your initials)

Supervisor/Site Manager Procedure:

1. Supervisor/Site Manager to view report weekly and address speeding violations. Anything over 7 mph registers as an event.
2. Pull past information on driver using filters in row 1 to look up driver by name. (Do not sort page) This will show driver history.
3. Record discipline and date (Column O and Column P) based on guidelines established **(See Discipline Tab)**

**Summary of Management Action Plans
RCPS Transportation Follow-Up
16-109**

Assigned To	Target Date
Transportation Assistant, Operations Manager	5/31/17

Management Action Plan – Malfunctioning GPS Units	
<p>Weekly Hardware Health Report Received Monday's approximately 1:00 am. For non-functioning units, Garry Klaiber will assign a technician to inspect and repair unit if necessary.</p> <p>Technician must communicate action taken to ensure proper transmission.</p> <p>Report sent back to Arne Stensaker for file.</p> <p>Replacements will be coordinated through Arne Stensaker, Operations Manager.</p> <p>This Action Plan in place.</p>	
Assigned To	Target Date
Arne Stensaker, Operations Manager/Garry Klaiber, Lead Technician	06/01/16

Management Action Plan – Premature Inspections	
<p>Monday am, parts coordinator prints report from Dossier showing vehicles due for inspection between 45 and 60 days or 15 days from expiration.</p> <p>Technicians pull vehicles for inspection and coordinate a spare vehicle.</p> <p>Highlight vehicle on list when inspection is complete.</p> <p>Apply window stickers with date inspection completed.</p> <p>Parts Coordinator will receive repair order for inspection and confirm vehicle is highlighted on list.</p> <p>This Action Plan is place.</p>	
Assigned To	Target Date
Garry Klaiber, Lead Technician/ Brenda Kesler, Parts Coordinator	06/01/16



ANNUAL AUDIT PLAN FISCAL 2017

As Recommended by the
Roanoke City Public Schools
Audit Committee
June 23, 2016



School Audit Services

Purpose:

To help ensure the school system complies with all financial and other regulatory requirements under federal, state and local statutes and to facilitate effective and efficient operations.

[Board Policy DIB]



Audit Committee

- Works with the Municipal Auditor to Develop the Annual Audit Plan.
- Reviews Engagement Letters, Audit Reports and Other Audit Related Correspondence.
- Regularly Updates the School Board on Audit Activities.



Planned Engagements for FY17

1. Special Education
2. 21st Century Community Learning Centers
3. Substitute Teachers
4. Information Technology Survey
5. External Audit Coordination
6. Audit Findings Follow-Up
7. Annual Risk Assessment

Special Education

In the Statement of Activities for the year ending June 30, 2015, expenses reported for Special Education totaled **\$27,197,790**. This includes regional program costs initially covered by RCPS and later reimbursed via the State.

The 2015-2020 Strategic Plan notes that **14.57%** of the Division's students were receiving special education services in the 2014/15 School Year.

Preliminary Audit Objectives:

- Determine the outcome of recommendations for improving services and reducing costs received in February 2013 from Futures Education.
- Review criteria for providing specialized and out of zone transportation.

Projecting October 17 Start Date

21st Century CLC Grants

Audit Objectives:

To verify that the Division's 21st Century Community Learning Center program is effectively managed to ensure all operating, compliance, and reporting requirements are achieved. Areas to be evaluated include:

- Applications
- Contracts and Agreements
- Asset Management
- Communication Plans and Training
- Reporting – Internal and External
- Grant Accounting and Reimbursement Requests

Projecting April 3 Start Date

Substitute Teachers

Audit Objectives:

To determine if Source 4 Teachers has provided services consistent with contract specifications and intent:

- Appropriately Qualified Substitutes
 - Credentials
 - Background Checks
 - Class Room Management Training
 - Familiarity with Division Policies
 - Lesson Planning and Delivery of Instruction Training
- Fill Rates
- Accurate Billing

To estimate fiscal impact of outsourcing responsibilities for substitute teachers.

Projected January 9 Start Date

Information Technology Survey

Preliminary Objectives:

To develop a comprehensive understanding of the IT Department

- Organizational Structure
- Assignment of Responsibilities
- Goals and Metrics
- Risk Assessments and Security Standards
- Policies and Procedures

To develop the objectives, scope, and methodology for an audit in FY 2017/18

Projected July 11 Start Date



External Audit Coordination

Purpose:

- To oversee the performance of the external audit firm.
- To assist management when addressing questions and findings related to internal controls over financial reporting and compliance.
- To help coordinate the financial reporting efforts of the City and School Accounting departments.

Audit Findings Follow-Up

Purpose:

To determine if management action plans due to be implemented by June 30, 2016, were completed and effectively addressed the issues identified.

- Landscaping
- Student Health Services
- Time and Attendance
- Transportation
- Workers Compensation



Annual Risk Assessment

Purpose:

Auditing standards require a risk-based audit plan that prioritizes audit activity, consistent with the School Division's goals.

- The plan must be based on a documented risk assessment, undertaken at least annually.
- The auditor must identify and consider the expectations of senior management, the board, and other stakeholders.

Audit Committee:

William Hopkins, Jr. – Committee Chair

- BS & Juris Doctor - Law
- Attorney – Martin, Hopkins, & Lemon PC
- Appointed to Audit Committee 2013
- Audit Committee Chair since 2015

Laura Rottenborn – Committee Member

- BA & Juris Doctor – Law
- Assistant United States Attorney
- Appointed to Audit Committee 2015

Auditing Staff:

Wayne Parker – Senior Auditor

- BS – Business Administration
- Certified Fraud Examiner (CFE)
- 33 Years Auditing Experience

Cari Spichek - Senior Auditor

- BS – Accounting
- Certified Internal Auditor (CIA)
- 17 Years Auditing Experience

Ann Clark – Senior Auditor

- BS – Business Administration
- Certified Public Accountant (CPA)
- 32 Years Auditing Experience

Tasha Burkett – IS Auditor

- BA – Accounting
- 10 Years Finance & Systems Experience

Dawn Mullins – Asst Municipal Auditor

- BBA – Accounting
- Certified Public Accountant (CPA)
- 16 Years Finance, Systems, Auditing Experience

Drew Harmon – Municipal Auditor

- BS – Accounting
- CIA, CPA
- 25 Years Auditing Experience

Municipal Auditing Department Contact Information:

Website: www.roanokeva.gov/auditing

Email: auditor@roanokeva.gov

Phone: 540-853-5235

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Roanoke, VA 24011



RECOMMENDATIONS for ROANOKE CITY PUBLIC SCHOOLS

FEBRUARY 12, 2013

The staff of Futures Education appreciates the opportunity to support special education services in Roanoke City Public Schools (RCPS) through professional development and technical assistance. It is noted that the recommendations suggested herein focus on Division-wide continuity and consistency of practices, programs, services and operations from school to school, level to level, and throughout the Division.

The following recommendations are offered for consideration by the leadership of RCPS.

- 1. Redeploy the two high school department chair positions to become "Special Education Coordinators" reporting directly to the Director of Special Education. This would increase the number of Coordinators to five.**

One option for assigning coordinators could be as follows:

- a. One at each high school – also providing necessary services to the Governor's School and both alternative programs (Forest Park Academy and Noel C. Taylor Academy)
- b. One for five middle schools
- c. One for 9 elementary schools (including two of the smaller elementary schools)
- d. One for 8 elementary schools
- e. One for Preschool programs

The expanded number of coordinators will allow them to work closely with all teachers and specialists as they develop IEPs for students. The coordinators will be able to participate in IEP team meetings as needed and be involved in guiding the decision-making process of the IEP teams to promote consistency and fidelity of program design and implementation. One component of the teacher evaluation process should include the development of quality IEPs. This will also serve as

embedded professional development and quality control. Having coordinators work closely with teachers to ensure quality IEPs is an important function.

The expanded number of coordinators will also permit these staff to proactively solve issues with principals. *NOTE: These are being addressed as positions rather than individuals.*

Efficiencies: Improved supervision and program support. Coordinators would be able to focus on targeted priorities addressing improved student performance, compliance, program design, and cost effectiveness.

2. Redeploy/convert social work positions to a newly defined role with direct student service or as school psychologists.

It is recommended that the Division revise the practice of writing extensive social histories for initial eligibility evaluations. A brief social history could be included in the psycho-educational evaluation for initial referrals and reevaluations as appropriate. A re-defined role could include educational testing for evaluations and re-evaluations (which requires training, but does not require a particular license). RCPS could consider reassignment of duties to the current social work positions or convert the positions to school psychologist positions. This would more closely align to the NASP recommendation of 1 school psychologist per 1,000 students and would greatly enhance the role of the school psychologist in the Division providing enhanced direct services to students and a more consistent presence in each school. Relieving the special education teachers of some educational testing for evaluations will permit more time for instruction while providing more consistency in test administration.

Efficiencies: Reduction of the time allocated to social histories and assumption of assessment and counseling activities would relieve teachers of eligibility assessment responsibilities and potentially improve student performance. The reduction of time allocated to collecting information for extensive social histories would increase time that these staff can provide family and student intervention and services.

3. Addition of an Intern School Psychologist

As stated in recommendation #4, the Division is substantially understaffed in the area of school psychology. There are several strategies to consider for remedying this situation. One low cost option might be adding a school psychologist intern. Others include the consolidation of school mental health

personnel and role redefinition (school psychologists, social workers, counselors, student services specialists, behavior specialists, etc)

Efficiencies: Efficiencies and improved services will result from the better utilization of staff and consolidation of services.

4. Develop program descriptions identifying the design, structure, services, and primary focus of all special education programs within the Division.

This process has already been initiated by Futures as part of the technical assistance provided to the RCPS central office staff and should continue. Clear descriptions of regional classes, self-contained Adaptive classes, and all instructional programs within the Division (resource, remediation, pull-out, push-in, co-teaching, consultation, etc.) will clarify the basis for placements, exiting students, and the continuum of services. This will promote continuity and consistency both horizontally between schools at the same grade levels and vertically from preschool through elementary, middle, and high school.

Efficiencies: Improved utilization of existing resources.

5. Develop standard Division-wide procedures for developing IEPs and defining prescribed services.

Clearly specified service time to be provided to students in co-taught and push-in settings where the special education teacher may not need to work directly with every identified student in the class for the full class period will more accurately account for student services needs and the assignment of personnel. The goal here should be to promote independence with a special education teacher (or paraprofessional) available to provide support and direction when needed. A differentiated scale of service time (minutes / hours) per week should be developed for application at IEP meetings. For example, one student with more significant needs might require the attention of a special education teacher or paraprofessional for an average of 20 minutes of a 50 minute class while another student may only require an average of 10 minutes per 50 minutes class. This would then be reported as 100 minutes per week or 50 minutes per week rather than the current practice of reporting 250 minutes per week regardless of the amount of direct student-teacher required.

Not only would this change of practice reflect very positively on the Division with regard to LRE and time with nondisabled peers, it would promote student

independence. Further, this practice would minimize the percentage of time designated as "special education" thereby relieving the "points" constraint for assigning teachers.

Efficiencies: Implementing this procedure will likely bring the Division into compliance with state mandated teacher-student ratios in special education by more accurately representing student point values. If implemented consistently throughout the Division, this could potentially save considerable funds by minimizing the need for additional staff and possibly allowing for the redeployment of existing staff to focus on prioritized student / program needs.

6. Restructure Related Services in Specialized Programs

The provision of related services in separate classes should be integrated into the curriculum and the whole class, which means that the services providers provide extended services to all students as an integral component of the class or program. Communication, behavior, instruction, adaptive skills, etc. could be more integrated and have a more pronounced impact on students if they were provided in an integrated manner throughout the school day versus 30 minutes per week or 30 minutes two times per week.

Integrated services are more closely aligned to classroom based instructional activities and with mandated assessment processes and achievement expectations (state standards of learning).

Efficiencies: Depending upon the specific programs, integrated delivery models for related services may potentially enhance student achievement while minimizing duplication of staffing efforts.

7. Increase principals' involvement in the special education process

Now that principals are better versed in Special Education and Section 504 policy and practices, they should be encouraged to take an active role in the management and supervision of special education programs and services. With the redeployment of Coordinators and the increased involvement of school based administrators, program management for special education can be less fragmented and reflect a Division-wide design to effectively and efficiently provide these essential services with high expectations and well designed programs.

*Make sure
IEP contents*

Efficiencies: Having principals be more involved in the management of special education will provide greater supervision, accountability, and efficiency of operation in all schools and programs. Collaborative and innovative practices for program design, development, and implementation have the potential for minimization of increases in expenditures, better utilization of existing staff, and the possibility of reducing personnel where appropriate.

8. Enhance Rtl in all schools

Increased involvement of administration and a more robust Rtl process will inevitably minimize the number of unnecessary referrals to special education, thereby maximizing the benefits of existing resource to better serve students with disabilities. Schools are encouraged to provide remediation and intervention programs within the general education structure to support struggling students without having to make a referral to special education and identify a student as being disabled in order to get support. This will entail having general education teachers develop more effective skills in the areas of differentiated instruction, diverse teaching strategies, behavior management, curriculum adaptation, and assessment.

Efficiencies: Fewer students identified for special education will result in a proportional reduction in program cost. This would also minimize the potential for inappropriate identification of marginal students who are struggling. Struggling students will perform better with proper general education supports.

9. Redefine the eligibility and exit criteria for special education instructional services as well as related services.

Students who require minor short term interventions in the areas of speech, language, handwriting, self-care skills, etc. may receive these supports through the general education program by specialists and assistants trained to address these developmental issues. Not only will these intervention strategies enhance the development of all students, it will minimize the perceived need to refer students to special education to get support in some of these areas that are quite often only the reflection of the normal developmental process.

Efficiencies: Minimization of referrals and possible inappropriate identification of ineligible students.

*Make sure
IEP controls*

10. Review the role and responsibilities of teacher assistants

The role and responsibilities of teacher assistants should be reviewed and clearly defined. There is a misconception that teacher assistants cannot function unless under the continuous direct supervision of a certified teacher. This is not required by the Virginia Department of Education and does not reflect best practice or the most efficient and effective use of these staff. Training of both teachers and paraprofessionals is imperative to maximize this significant investment in personnel.

Efficiencies: Enhanced utilization of teacher assistants functioning more independently in accordance with best practice and state regulation regarding paraprofessionals. This may result in the opportunity to accrue savings through redeployment of both certified and non-certified personnel. The Division currently spends approximately \$4 million per year on educational assistants. Futures believes there can cost avoidance and/or savings through the implementation of processes to enhance efficiency and effectiveness.

11. Review criteria for placement in alternative programs

It is commonly stated that the (Noel C. Taylor) Alternative Program does not accept students with disabilities. Clarification should be provided regarding the parameters for placement of students in both alternative programs (Noel C. Taylor and Forest Park). While it may be the decision of the administration and the IEP team not to place a student in one or the other of these programs, the criteria should not be whether or not the student has a disability. This issue and the various rationales driving placement decisions should be addressed.

Efficiencies: There may be situations where it is appropriate to place a student with disabilities in the alternative program thereby saving costs for other placements and providing opportunities for greater student success.

12. Establish two to four regional classes for students with Severe Emotional Disturbance and other disability categories where significant behavior interventions are required.

This issue was identified as critical by principals and other professional staff. The issue is particularly evident at the elementary level.

Efficiencies: Regional programs are reimbursed by the State and can serve students in the greater Roanoke area. Existing staff can be redeployed to these programs thereby providing qualified personnel and reducing the expenditure of local funds. The movement of students with SED will also reduce the amount of personnel required in local settings.

13. Redeploy staff assigned to alternative placements

There are currently several positions that should be reconsidered as a result of the financial challenges faced by the Division. These include, but are not limited to, two full time professional central office staff members assigned to alternative placements as well as transition and behavior specialists.

It is recognized that all the functions being addressed by these positions are important. The current configuration may not be providing the most cost effective services to schools or students. The development of IEPs and monitoring of students in private alternative placements – or other out of Division placements can be accomplished through other configurations.

Efficiencies: Reduction of staff

14. Add certified special education teacher support (central office) personnel proportionally to all schools to be calculated into the point ratio for each school.

Coordinators and other certified special education teacher personnel providing support services that would otherwise be the responsibility of special education teachers may be legitimately added to the teacher/student point ratios.

Efficiencies: Adding these individuals to the ratio will ensure compliance with the required ratios while more accurately reflecting the actual number of staff employed to serve students in the Division. Paraprofessionals should also be including in this count where allowed by the state.

15. Redefine the role and expectations (job description) of special education coordinators.

The responsibilities of Coordinators should be to focus on teacher support, classroom involvement, instructional methodologies, teaching strategies, specialized instruction, consultation, collaboration with principals, and specifically

identified priorities as indicated by the Director of Special Education to promote Division-wide initiatives and to enhance programs and student progress.

Efficiencies: Better use of Division resources, more accurate identification of students for special education eligibility, improved programming and instruction.

16. Reconsider Behavior Specialist job description and assignment

These positions should be more coordinated with other intervention services and should be proactively involved in schools rather than utilized on an as-needed basis. The supervision of these positions should also be clarified.

Efficiencies: Maximization of the effectiveness of personnel

Futures Education appreciates the opportunity to work with the leadership, faculty, and staff of Roanoke City Public Schools. We appreciate the professionalism and kindnesses shown to us during our time in schools and the Central Office. If additional consultative support is necessary to assist the Division in the implementation of these proposed actions, the Futures team would be happy to discuss options to provide the necessary assistance to facilitate these changes.