

**Columbus City Schools
Office of Internal Audit**



**Follow-Up Review
Use of District Facilities**

Audit Report

Report Date: June 27, 2018

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Use of District Facilities Follow-Up Review Report Highlights

The initial **Use of District Facilities** audit report was presented to and approved by the CCS Audit and Accountability Committee on April 27, 2017. As part of the initial audit, there were **18 recommendations** that were made for the Building & Grounds Department. The objective of the follow-up review was to ensure Management has taken corrective action to address the control deficiencies identified by the Office of Internal Audit during the initial audit.

18

Total Corrective Action Plans
Developed by Management

5

Corrective Action Plans
Implemented by
Management

5

Corrective Action Plans
Not Implemented by
Management

8

Corrective Action Plans
Not Ready to be Reviewed by
the Office of Internal Audit

Highlights

1. Guidance for community building use have been placed in a central location on the District's website.
2. Responsibilities within the department were reassigned to ensure there are appropriate segregation of duties over the cash receipt function for building rentals.
3. Management is in the process of implementing an automated system that would streamline the process related to building rentals, payment and scheduling.

Areas of Opportunities

1. Appropriate action should be taken to ensure each correction action plan developed by Management is implemented before the implementation date.
2. Considerations should be given to enhance the monitoring procedures to ensure that sufficient corrective action has been made for each identified control deficiency.
3. Ensure that Buildings & Grounds staff members obtain and retain proof of liability insurance and a completed copy of the District's hold harmless for all building use applicants.
4. Expedite the approval of Administrative Guideline 7510A that pertains to BOE Policy 7510 (Community Use of District Premises).

Audit Issues by Risk Level

High: 5 | Moderate: 11 | Low: 2

(3 Open)

(8 Open)

(2 Open)

Executive Summary

Background

The Columbus City Schools (District) Office of Internal Audit (OIA) Fiscal Year 2017 Work Plan included performing an internal audit on the Use of District Facilities. The Use of District Facilities audit report was presented to and approved by the CCS Audit and Accountability Committee on April 27, 2017. As part of this audit, recommendations were made for the Building & Grounds Department.

The District's Building & Grounds Department is primarily responsible for managing the use of the District premises. As part of OIA's risk assessment, management requested an audit of the Use of District Facilities.

The initial report contained 18 recommendations and the related management corrective action plans. The follow-up audit was completed to assess the status of corrective action taken by management. OIA did not test eight (8) corrective action plans associated with recommendations #2, #3, #7, #8, #9, #10, #11, and #15 during this review. OIA will review these recommendations and the corrective action plans when Buildings & Grounds Department management indicates they are ready for our review

Roles and Responsibilities

District management is responsible for follow-up and corrective action to address audit recommendations. To fulfill this responsibility, the Office of Internal Audit has a process in place to track the status of corrective action plans and ensure that audit issues are adequately resolved.

Objectives

The objective of this follow-up review is to ensure that management has taken corrective action to address the control deficiencies identified by the Office of Internal Audit.

Scope

The Use of District Facilities Audit follow-up work was completed in Fiscal Year 2018 and included a review of information from the period of 7/1/17 through 3/31/18.

Approach and Methodology

To complete this follow-up audit we performed the following procedures:

- Reviewed the prior Use of District Facilities Audit Report and the corrective action plans that were approved by the Audit & Accountability Committee at the April 27, 2017 meeting;

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- Interviewed Building & Grounds staff and other relevant District staff to gain an understanding of the corrective actions taken and determine the status of the corrective actions according to management;
- Analyzed available information to validate information obtained during staff interviews; and
- Tested available documentation to determine if corrective actions have been fully implemented, are operating as management intended, and addressed all issues included in the above referenced audit report.

Results

The initial Use of District Facilities Audit Report dated April 27, 2017, can be found within the documents tab on the Internal Auditor's web page located on the District's website. We consider an issue resolved if management implemented their corrective action plan or took other appropriate action to resolve the identified issues.

The Office of Internal Audit found that management took sufficient corrective action for 50% (5 of 10) of the tested issues from the original Use of District Facilities Audit Report. OIA determined five (5) recommendations were not implemented. OIA will retest these five (5) recommendations that were not implemented, along with the eight (8) that were not tested, +when management indicates they are ready for our review. This audit report was reviewed with management and they agreed with the conclusions.

The Office of Internal Audit classified each issue into one of the following categories based on the work that we performed regarding the corrective action plan prepared by management and approved by the Audit & Accountability Committee at the April 27, 2017 meeting:

Implemented – Action described in the corrective action plan prepared by management has been fully implemented and testing performed by Office of Internal Audit staff validated that the actions are working as management intends.

Not Implemented – There was insufficient evidence that the corrective action plan prepared by management was fully implemented.

Management Accepted the Risk – Risk concerning this issue was accepted by Management and therefore no corrective action was taken.

Not Applicable – There was a significant change to the internal control environment regarding this recommendation which made testing this issue no longer applicable.

Not Tested – The corrective action plan was not ready to be tested by the Office of Internal Audit or it could be tested more efficiently during another time.

SUMMARY OF RECOMMENDATIONS – FOLLOW-UP

Based upon the procedures performed, a number of issues having varying degrees of risk were noted. The following table outlines the recommendations, the risk ratings assigned to each and the follow-up status. The definition of each rating's significance is noted below the table.

Recommendations	Risk Rating			Follow-up Status
	1	2	3	
1. Management develop additional Administrative Guidelines to ensure compliance with BOE Policy 7510.	X			Not Implemented
4. Management enforce existing procedures or establish provisions for late rental fees and/or interest in the event that the rental fees are not made in a timely manner.	X			Implemented
5. Management maintain evidence/documentation in file of cancellation of building use and other supporting documentation.		X		Not Implemented
6. Management create and maintain an Infraction List of applicants that do not follow public conduct expectations in compliance with BOE policy.		X		Implemented
12. All policy and procedures related to the use of District facilities be included in a central location on the District's webpage.		X		Implemented
13. Proof of liability insurance and the Hold Harmless form be obtained and maintained on file before facility use activity.	X			Not Implemented
14. The Office of Facility Use comply with District policy and procedures in regards to approving facility use application three (3) weeks before the planned event.		X		Not Implemented
16. Reorganizing responsibilities currently performed by the secretary to someone else in the Office of Facility Use to ensure proper segregation of duties over cash receipt function.	X			Implemented
17. The Office of Facility Use deposit facility use funds timely in compliance with BOE Policy 6600.			X	Not Implemented
18. The Office of the Treasurer require through online Public SchoolWORKS all employees who handle cash receive annual cash handling training.		X		Implemented

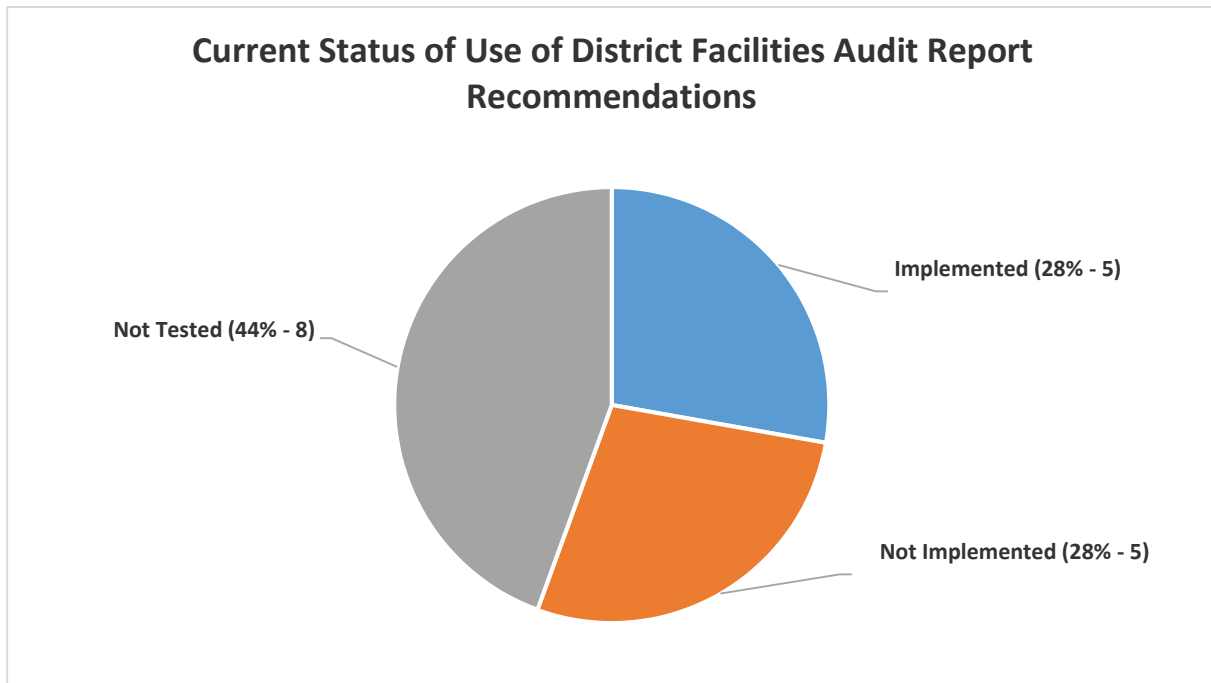
Risk Ratings

1 – **High**: Unacceptable risk requiring immediate corrective action;

2 – **Moderate**: Undesirable risk requiring future corrective action; and

3 – **Low**: Minor risks that management should assess for potential corrective action.

Summary Charts



Open Issues by Risk Level

Risk level		High	Moderate	L
Total recommendations		5	11	2
Implemented		2	3	0
Not tested		1	6	1
Not implemented		2	2	1
Open issues		3	8	2

Original Use of District Facilities Audit Report, Recommendations, Original Corrective Action Plans, OIA work performed, and Current Status for those issues that were not deemed to be successfully implemented as a result of our testing.

Recommendation

1. OIA recommends management develop additional Administrative Guidelines to ensure compliance with BOE Policy 7510.

Original Management Corrective Action Plan

The administrative guidelines have been reviewed and updated. (Implementation Date: August 2017)

OIA Work Performed

Based on discussion with the Buildings & Grounds Director, the Administrative Guidelines related to facility use have been drafted, however, the guidelines have not been approved by the Superintendent (or his/her designee) to be placed in practice and have not been uploaded to the NEOLA website where all of the District's policies and administrative guidelines are housed.

Although the related Administrative Guidelines has not been approved, OIA obtained and reviewed the draft version of Administrative Guideline 7510A (For Use of District Facilities) to determine whether management incorporated the appropriate guidance related to facility usage throughout the District.

Per the review of Administrative Guideline 7510A (*currently in draft status, awaiting approval by the Superintendent*), there was sufficient guidance included in the administrative guideline that met all 11 requirements that were documented in BOE Policy 7510 (Community Use of District Premises).

Current Status: **Not Implemented**

Recommendation

5. OIA recommends management maintain evidence/documentation in file of cancellation of building use and other supporting documentation.

Original Management Corrective Action Plan

The Building use processor requests that the applicant and/or building administrator provide notice of cancellation in writing and then attaches the documentation to the application. (Implementation Date: June 2017)

OIA Work Performed

OIA obtained and reviewed the written notice of cancellation related to District facility use to validate that the appropriate documentation was retained by Buildings & Grounds and ensure that the cancellation request was received at least three (3) business days before the intended facility use date.

Per the review of the cancellation documents, the following was noted:

- 60% (3 of 5) of the applications reviewed, there was no documentation/evidence on file for the cancellation of the facility use; and
- 60% (3 of 5) of the applications reviewed, the written/documented cancellation notice was not received within three (3) business days of the intended facility use date.

Current Status: **Not Implemented**

Recommendation

13. OIA recommends proof of liability insurance and the Hold Harmless form be obtained and maintained on file before facility use activity.

Original Management Corrective Action Plan

The Buildings and Grounds Department is enforcing current procedures that require a copy of the Certificate of Liability Insurance and the Hold Harmless Form. Documentation is attached to the Building use application. (Implementation Date: August 2017)

OIA Work Performed

OIA obtained and reviewed proof of liability insurance and a copy of the hold harmless form to ensure that these documents were retained by Buildings & Grounds management before the facility use activity for the selected applicants.

Per review of the documents, the following was noted:

- 33% (3 of 9) of the applications reviewed, proof of liability insurance was not on file for the applicant. **Note:** *For one application reviewed, liability insurance was not required for the applicant since they were a parent teacher association (per the District's Legal Counsel Representative); and*
- 20% (2 of 10) of the applications reviewed, a copy of the completed *Hold Harmless Form* was not on file for the applicant.

Current Status: Not Implemented

Recommendation

14. OIA recommends the Office of Facility Use comply with District policy and procedures in regards to approving facility use application three (3) weeks before the planned event.

Original Management Corrective Action Plan

Any requests not received 3 weeks prior to the planned activity require approval from Buildings and Grounds management to proceed with processing, if Buildings and Grounds management does not approve the application will be returned to the Building. (Implementation Date: May 2017)

OIA Work Performed

For each applicant included in the testing, OIA obtained and reviewed the completed *Application for Use of Building* that was submitted to Buildings & Grounds to ensure the application was received from the Building Administrator at least 3 weeks (15 business days) prior to the planned activity.

Per the review of the application, 40% (4 of 10) of the applications reviewed, Buildings & Grounds did not receive the signed application from the Building Administrator within the 3-week requirement before the planned activity was scheduled to occur at the related school building.

Current Status: Not Implemented

Recommendation

17. OIA recommends the Office of Facility Use deposit facility use funds timely in compliance with BOE Policy 6600.

Original Management Corrective Action Plan

The Buildings and Grounds Department follows current procedures provided by the Treasurer's office for depositing funds received for Building Use. (Implementation Date: Immediately)

OIA Work Performed

OIA obtained and reviewed copies of the pay-in form/receipt and the Dunbar book maintained in the Buildings & Grounds office to ensure that the selected facility use funds were deposited timely in accordance with BOE Policy 6600. OIA compared the funds receipt date (pay-in form and/or receipt) and the pickup date documented in the Dunbar book to determine the timeliness of the funds that were deposited.

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It was noted that B&G management has to request a special pickup from Dunbar (request is made by the Treasurer's Office) since the 17th Avenue Building (where the Buildings & Grounds office is located) is not a normal location on the District's pickup schedule.

Per review of the documents, 80% (8 of 10) of the applications reviewed, facility use funds were not deposited timely in accordance with the CCS Board of Education Policy 6600 (Deposit of Public Funds).

Current Status: **Not Implemented**