



## **Chesterfield County, Virginia Internal Audit**

10021 Iron bridge Road – P.O. Box 40 – Chesterfield, VA 23832  
Phone: (804) 748-1240 – Fax: (804) 768-9346 – Internet: chesterfield.gov

**GREG L. AKERS**  
Director

**DATE:** June 15, 2016

**TO:** Dr. Marcus Newsome  
Superintendent

**FROM:** Greg L. Akers  
Director of Internal Audit

**SUBJECT: School Facilities Special Project**

### **CONCLUSION**

Internal Audit conducted this audit at the request of the School's Chief Operations Officer (COO) to evaluate personnel and performance concerns with School Facilities Trailer Crew. Internal Audit identified significant issues including lack of management oversight and employee time abuse. We did not identify fraudulent purchases.

### **ALLEGATION**

On March 18, 2016, School's COO reported concerns about the School Facilities Trailer Crew, including potential employee time abuse, fraudulent activity, and lack of management oversight.

### **OBJECTIVES, SCOPE & METHODOLOGY**

#### **Objectives:**

- Determine compliance with school policies and procedures.
- Evaluate tools and methods used by School Facilities to manage employee performance.
- Determine purchases were supported and approved.
- Identify potential improvements.
- Report results to the School Superintendent and other parties as required.

#### **Scope:**

Our audit scope covered the School Facilities Trailer Crew activities for calendar year 2015 through March 2016.

#### **Methodology:**

Our methodology included evaluation, testing, and reviews of:

- School Facilities Work Order system activity.
- GPS employee location from school-issued cell phones.
- General ledger expenses, including purchasing card (P-card).
- School policies and procedures.

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- Inventory control for supply purchases.
- Assigned vehicles.
- Employee evaluations.
- Employee DMV driving records.
- Interviews with employees.

We conducted this special project as a performance audit in accordance with generally accepted government auditing standards, except the risk and internal control assessment was more targeted to the specific allegations versus a comprehensive evaluation of the department or program. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Michelle Heckel and Steve Sanderson, Senior Auditors performed the audit work. Chesterfield County Internal Audit is a department within the organization of Chesterfield County/Schools.

### **BACKGROUND**

School Facilities Trailer Crew is responsible for the repair and maintenance of approximately 324 mobile trailers at various School locations, including the set-up and movement of trailers from one location to another. The Trailer Crew consisted of four employees (currently three) and a supervisor. The area supervisor reports to an Assistant Director of School Facilities. Employees park assigned vehicles at Facilities Offices on Krause Road, but do not routinely work at that location. Certain supplies are stored at Facilities Offices, and other supplies are obtained directly by employees with purchasing cards.

School Facilities have two primary tools available to monitor employee activity and performance. The work order system (SchoolDude) can identify request date, description, assigned employee, action taken, completion date, labor hours, and material cost. Employees receive assignments and report status in the work order system using an iPad. Cell phones are issued to each employee with GPS tracking that are used for communication, and daily time and attendance reporting.

### **FINDINGS**

#### **Management oversight:**

1. Management is not using the work order system to effectively monitor progress and employee performance. The Assistant Director of Facilities could not explain why eight routine work orders, requiring five or fewer labor hours, were outstanding in the system for three or more months. For the 2015 calendar year, the work order system only reflected 893 hours (approximately 10% of employees' available hours). The system is primarily used by facility coordinators at the various schools to initiate work requests. Assignments and time spent moving and setting up trailers, and other routine maintenance activities, is not recorded in the system. There is no documented monitoring of team assignments and work productivity.
2. There is no formal quality control process or customer satisfaction survey for completed work orders. Some work requests were not completed in a timely manner. In one case, a request for a wheelchair ramp took six months before installation and required a second request to resolve installation issues.
3. There is no formal evaluation of cost recorded in the work order system to accounting system expense for accuracy and completeness. Costs were not consistently recorded in the work order system and varied from showing zero costs, fixed cost for labor, or labor and material costs. Only two of the nine invoices reviewed reflected the work order numbers, and those costs were not included in the work

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order system. We also reviewed P-card receipts which reflected the school name, but not the work order number.

4. Management is not routinely using employee phone GPS location data to compare with assigned work locations. Employees have not consistently carried their phones during working hours. Employees' phones were frequently left at the Krause Road (Facilities Office) location for entire days, which is not an expected worksite. For such dates, actual employee locations are unknown. GPS records also reflect non-school locations during normal work hours in which no leave was taken including: personal homes, other residences, retail stores, banks, attorney offices, and out of state travel. Stops ranged from a few minutes to over an hour, and were not limited to lunchtime. Many stops at retail stores did not result in a School purchase.
5. Management did not prepare performance evaluations on any of the employees. Per School Division policy 5170, **"The performance of every employee of the Chesterfield County Public Schools (CCPS) shall be evaluated on a regular basis, at least as frequently as required by law. The Superintendent shall ensure that cooperatively developed staff evaluation procedures are in place and implemented throughout the division for all employment categories. The results of every such performance evaluation shall be in writing, dated and signed by the evaluator and the person being evaluated, with one copy going to the central office personnel file and one copy to the person being evaluated."**
6. There is no supply inventory for the Trailer Crew's stock items that are stored at Facilities Offices and Walmsley Boulevard sites. Management noted that it is not unusual to stock handicap access ramps, trailer skirting, and other routine items.
7. Two employees have worked secondary jobs for a business owned by their CCPS Supervisor. Although CCPS has a secondary job policy (5140), there are no procedures governing notification, approval, or guidelines to ensure compliance with policy.
8. One employee has been driving on a suspended license since 2007 when he was convicted for driving under revocation or suspension. Risk Management began DMV checks on all designated driving CCPS employees in March 2016. Previously Schools performed DMV checks for Bus Drivers and certain positions, but not all designated driving CCPS employees were included. On May 2, 2016, the CCPS Human Resources Director notified the employee he could no longer operate CCPS vehicles.
9. Capital asset records include a vehicle disposed of in September 2015.

**Employee time abuse:**

10. The Trailer Crew Supervisor operates a private business from his home address that provides trailer transport services. Three employees (two current) under his supervision at CCPS acknowledged they have worked for the Supervisor's private business. The Supervisor frequently visits his personal residence throughout the workday. GPS records also reflect frequent stops at non-school locations during normal work hours, in which no leave was taken including: other residences, retail stores, banks, attorney offices, and out of state travel. Stops ranged from a few minutes to over an hour, and were not limited to lunchtime. Many stops at retail stores did not result in a School purchase. The Assistant Director of Facilities was not aware of a business reason for the multiple stops at non-School properties. The Supervisor was unable to satisfactorily explain the business purpose for most stops. The Supervisor acknowledged some stops were for personal business, and that he should have taken vacation for certain items (including the out of state travel). He also acknowledged certain residential address stops corresponded to private business customers. There was evidence that the Supervisor

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conducted business for his outside company using School email and acknowledged that goods for his company were delivered to School Facilities.

11. The three current Trailer Crew employees have not consistently carried their phones during working hours. Two of the employees' phones were frequently left at the Krause Road (Facilities Office) location for entire days, which is not an expected worksite. For such dates, actual employee locations are unknown. These same two employees also acknowledged they have worked for their CCPS Supervisor's private business after hours and on weekends. GPS records reflect some stops at non-school locations during normal work hours including other residences and retail stores. Most stops were under an hour. The other employee had multiple stops at a residence he owns, with most occurring near lunchtime and some exceeding an hour.

**RECOMMENDATION(S):**

We recommend that School Facilities management:

1. Use the work order system for recording, assigning, and managing all work along with tracking related expenses. Management should routinely review project status to ensure timely completion by team members and monitor productivity. The system can provide reports that will assist management in determining if staffing levels are sufficient to meet demands.
2. Implement a quality control process to ensure timely and satisfactory job completion to meet the requestor's needs and expectations.
3. Ensure receipts and invoices reflect the associated work order number on them for proper expense tracking. An overall evaluation of expenses outside the work order system should be performed to ensure reasonableness.
4. Communicate expectations with employees regarding school provided cell phone procedures. Management should periodically review GPS records to ensure employees are carrying their phones during work hours for communication and productivity purposes.
5. Work with School management to provide all employees performance evaluations on a regular basis in accordance with the School Division's policy 5170.
6. Implement proper controls over higher value inventory stock, which includes identifying items, maintaining a listing of items at each location, recording additions and deletions, and performing periodic test counts.
7. Work with School management to develop written procedures and guidelines to complement CCPS secondary job policy (5140). Communicate management's expectations regarding secondary employment and obtain signed acknowledgement from employee of their receipt of guidelines and understanding.
8. Work with School management to ensure all CCPS employees assigned a school vehicle has a DMV driving check performed annually. Upon notification from Risk Management, Management should take appropriate and timely action with employees based on driving history.
9. Ensure that fixed assets that have been disposed of are properly removed from accounting's fixed asset listing.
10. Consult with Human Resource/Personnel management to take consistent, situationally appropriate disciplinary action(s) for employee time abuse.

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**MANAGEMENT'S RESPONSE(S):**

1. *Concur. Director of Facilities and Maintenance is responsible for implementing 9/1/16. Hiring staff for reorganization and training scheduled for completion over the summer.*
2. *Concur. Director Facilities and Maintenance is responsible for implementing 12/31/16. Reorganization needs to occur and time to establish a procedure and training is required.*
3. *Concur. Director of Facilities and Maintenance is responsible for implementing 9/1/2016. Partially completed. Maintenance staff began adding costs to Work orders system in January of 2016. There already exists a process for submitting receipts to finance but the information is not easily traceable to or in the work order system. A separate external audit is underway and results on this audit should be available in July. The audit will be sent to IA for review and corrective action as well.*
4. *Concur. Director of Facilities and Management is responsible for implementing in three phases. Phase I will be implemented 6/30/2016. The Director of Facilities and Management will communicate with all staff that phones are to be carried at all times and that failure to do so will result in disciplinary action. Phase II will be implemented 7/31/2016. Training is planned for New Supervisors and employees and will be completed by the end of July. Phase III will be implemented 6/30/2017. Time and attendance system will be evaluated and changes made but this initiative must be approved by the incoming Superintendent. The current payroll system approves time by exception – for example, pay is adjusted for absences or other leave and overtime. The phone time and attendance system used by maintenance is monitored for timely clock in but appears to be separate from the payroll system. The time and attendance system used by maintenance needs to be a physical clock in and should automatically tie into the payroll time and attendance system to insure pay by actual time worked versus pay by exception.*
5. *Concur. COO is responsible for implementing in two phases. Phase I will be implemented 7/30/2016. All Directors/Department Heads were sent an email on 6/10/2016. Form is needed that fits non-instructional staff. Current form or list of items provided in the email will be used. Evaluations are expected to be completed by July 30, 2016. Phase II will be implemented 7/31/2017. COO will work with HR to develop a form that better meets the needs of non-instructional staff.*
6. *Concur. COO and Assistant Director of Facilities Support Services are responsible for implementing 12/31/2016. Asset management clerk added as a part of reorganization to track and control assets. Procedures will be developed pending the hiring of staff.*
7. *Concur. Executive Administration Support to the Superintendent is responsible for implementing 12/31/2016. Procedure needs to be written and adopted by the Board. The recommendation is that the schools adopt the County's policy.*
8. *Concur. COO and Risk Management are responsible for implementing 9/1/16. Work with Risk Management to implement existing protocols for Operations.*
9. *Concur. COO and Assistant Director of Facilities Support Services are responsible for implementing 12/31/2016. Asset management clerk added as part of reorganization to track and control assets. Procedure will be developed pending the hiring of staff.*
10. *Concur. HR has implemented recommendation and disciplinary action has been taken.*

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**CLOSING**

We appreciate the cooperation and assistance received from School staff and management throughout this audit.

cc: Dr. Lyle Evans, Assistant Superintendent Human Resources & Administrative Services  
Nita Mensia-Joseph, Chief Operations Officer  
Francine Bouldin, Director of Human Resources/Personnel  
Cindy Smith, Director of Risk Management

# Highlights

Internal Audit Report to the Board of Supervisors/School Board

## Why We Did This Review

Internal Audit conducted this audit at the request of the School’s Chief Operations Officer (COO) to evaluate personnel and performance concerns with School Facilities Trailer Crew. Internal Audit identified significant issues including lack of management oversight and employee time abuse. We did not identify fraudulent purchases.

Our objectives were to:

- Determine compliance with school policies and procedures.
- Evaluate tools and methods used by School Facilities to manage employee performance.
- Determine purchases were supported and approved.
- Identify potential improvements.
- Report results to the School Superintendent and other parties as required.

## What We Recommend

- Improve management oversight with respect to employee’s productivity, use of work order system, quality control, and inventory controls.
- Implement procedures governing secondary employment.
- Provide employees performance evaluations in accordance with School policy.
- Consult Human Resource/Personnel management and take consistent, situationally appropriate disciplinary action(s) for employee time abuse.



For more information, please contact Greg L. Akers at 804-748-1240 or akersg@chesterfield.gov

## School Facilities Special Project



### What We Found

#### Background

On March 18, 2016, the School’s Chief Operations Officer (COO) met with Internal Audit to report concerns related to personnel and performance issues within the School Facilities Trailer Crew. Concerns included potential employee time abuse, fraudulent activity, and lack of management oversight. Based on this information, Internal Audit began a special project to determine if concerns were valid. Internal Audit identified significant issues including lack of management oversight and employee time abuse. We did not identify fraudulent purchases.

#### Summary of Findings

Our audit included a review of the School Facilities Work Order system, GPS activity, General ledger expenses, including purchasing card (P-card), compliance with School policies and procedures, controls of inventory and supply purchases, assigned vehicles, employee evaluations, employee DMV driving records, and employee interviews. The following findings were noted:

- Management is not using the work order system to effectively monitor progress and employee performance.
- There is no formal quality control process or customer satisfaction survey for completed work orders.
- There is no formal evaluation of cost recorded in the work order system to Accounting system expense for accuracy and completeness.
- Management is not routinely using employee phone GPS location data to compare with assigned work locations. Employees have not consistently carried their phones during working hours.
- Management did not prepare performance evaluations on any of the employees.
- There is no supply inventory for the Trailer Crew’s stock items that are stored at Facilities Offices and Walmsley Boulevard sites.
- Two employees have worked secondary jobs for a business owned by their CCPS Supervisor. Although CCPS has a secondary job policy (5140), there are no procedures governing notification, approval, or guidelines to ensure compliance with policy.
- Capital asset records include a vehicle disposed of in September 2015.
- Time abuse by employees.

Management concurred with 10 of 10 recommendations to be implemented through July 31, 2017.

We appreciate the cooperation received from management and staff while conducting this audit.