

Implementation Plan Update

Forensic Accounting Investigation Report dated September 2016

Facilities Subcommittee

May 15, 2019

Implementation Task Force Members:

Matthew Duffy, Superintendent

Lisa LeBlanc, Associate Superintendent

vacant, Director of Internal Audit

Melissa Payne, Director of Contracts

vacant, Solutions Team Member

Cameron Moore, Citizens' Bond Oversight Committee Member



Background

- Phase II Forensic Accounting Report (“FAI”) was accepted by the Board on 9/21/16
- The report contains 112 recommendations to reduce the District’s risk, improve overall operational and administrative efficiencies
- The Board approved an Implementation Task Force which has met quarterly since 10/21/16
- Full Implementation is currently anticipated in June 2020 or sooner
- The Board approved a contract with Moss Adams to perform an independent review of the implementation of all recommendations. The review process was approved in two phases. The first phase reviewed all recommendations that were identified as implemented as of 6/30/17.

Update on the April Implementation Task Force Meeting

- The taskforce discussed and reviewed the incorporation of the Phase 1 Moss Adams Review of the Forensic Accounting Investigation (“MAR FAI”)
- The MAR FAI was completed with some good feedback that helps shape expectations about documenting implementation and refining implementation deliverables going forward
- Moss Adams recommended that District consider using outside resources to assist completing the many FAI recommendations related to written policies and procedures noting staff resource constraints

Moss Adams Phase 1 Review Summary

Forensic Accounting Investigation

Implementation Category	# Recommendations	ITF Update
Implemented by 6/30/17	33	
Partially Implemented by 6/30/17	19	10 implemented (includes all 7 with planned resolution of Feb 2019)
Not Implemented by 6/30/17	3	1 Moss Adams identified as implemented after 6/30/17
Undetermined	7	

Update on the April Implementation Task Force Meeting

In response to the review, the District has developed and started to deliver on an action plan

- On May 8th, the Board approved a contract with Colbi Technologies to provide program and project financial management and reporting software.
- On May 8th, the Board approved a contract with Swinerton to assist District staff in completing written policies and procedures.
- There are 9 remaining partially implemented recommendations from MA's forensic review targeted to be resolved by June 30, 2019 that will be addressed after Colbi and the PMP is implemented

Program & Project Management Financial Reporting System

Colbi provides web-enabled software that will be customized to incorporate the district's account code structure, internal control processes for project budgeting and development, contract award, modification, and payments.

18 FAI recommendations are currently in progress or implemented that will be improved by the implementation of a Program & Project Financial Management Reporting System

Colbi implementation process will begin May 2019. Anticipated implementation timeline will be provided in June 2019.

Program Management Plan

A Program Management Plan (“PMP”) is a compilation of all the policies and procedures used to manage the Bond Program. Internal control practices implemented by staff need to be in writing.

Preliminary Work plan:

- Draft PMP anticipated to be completed by November 2019
- Kickoff meeting with District staff to be week of May 20th
- Monthly communications on progress to Facilities Subcommittee & CBOC

Update on the April Implementation Task Force Meeting

- The Moss Adams proposal to re-verify the partially implemented recommendations from Phase I was reviewed. Key points from the task force discussion included:
 - *Proposal to re-verify Phase I partially implemented recommendations is \$32K plus reimbursables*
 - *Current contract of \$98K for two phases requires amendment to include reimbursables in an approximate amount of \$10,000 (i.e. \$108K)*
 - *An alternative to hiring Moss Adams is to have Director of Internal Audit (once hired) perform the re-verification*

Meeting and Reporting Timeline

Quarterly Implementation Task Force Meetings:

Last Meeting: April 26, 2019

Next Meeting: July 2019

Quarterly Facilities Subcommittee:

Next Meeting: August 2019

Bi-Annual Board of Education:

Next Meeting: November 2019