

Implementation of Recommendations

November 2019

WCCUSD Facilities and Operations
Forensic Audit Investigation Report
<http://www.wccusd.net/audit>



Implementation Task Force Members:

Matthew Duffy, Superintendent

Luis Freese, Associate Superintendent, Operations

Margarita Romo, Internal Auditor

Melissa Payne, Director of Contracts

vacant, Solutions Team Member

Cameron Moore, Citizens' Bond Oversight Committee Member

Tony Wold, Associate Superintendent, Business Services

Background



VLSFAI - On September 21, 2016, the Board accepted the Vicenti, Lloyd & Stutzman, LLP Forensic Accounting Investigation (VLSFAI) Phase II Report, which offered 112 recommendations to improve management and oversight of WCCUSD's bond program. Some recommendations were assigned high, medium, or low-risk designations.



Implementation Task Force - An implementation task force comprised of district staff and representatives of key stakeholders was created to develop and monitor the plan for implementing recommendations. The Implementation Task Force meets quarterly and provides quarterly updates to the Facilities Subcommittee and semi-annual updates to the Board of Education.



Matrix of Recommendation - The Matrix of Recommendations summarizes the 112 recommendations from the VLSFAI Phase II Report, reports the status of implementation, and includes a section for measured deliverables. The updated Matrix is presented quarterly to report the status and progress of recommendations.



Recommendation Work Plans - The Recommendation Work Plans document the implementation and verification of the 112 recommendations resulting from the VLSFAI Phase II Report. All recommendations will have an individual work plan providing key implementation information and updates.

Independent Review of Implementation



To maintain transparency and accountability, the District is committed to independent review of the implementation of recommendations



Moss Adams, LLC Forensic Accounting Investigation Implementation Review - On October 18, 2017, the Board of Education approved a contract with Moss Adams, LLC to conduct a third-party independent review of the implementation of the VLSFAI recommendations. The scope of the contract provided for two phases:

- ◀ **Phase 1:** From November 2017 - March 2019, Moss Adams reviewed 62 recommendations that the District deemed implemented as of June 30, 2017. Each recommendation was reviewed and designated as “Implemented and Verified”, “Partially Implemented”, “Not Implemented”, or “Undetermined”.
- ◀ **Phase 2:** Moss Adams will review the remaining 50 recommendations. Phase 2 will begin when the District identifies all recommendations as implemented. Currently, the anticipated implementation of all recommendations is scheduled for June 2020.

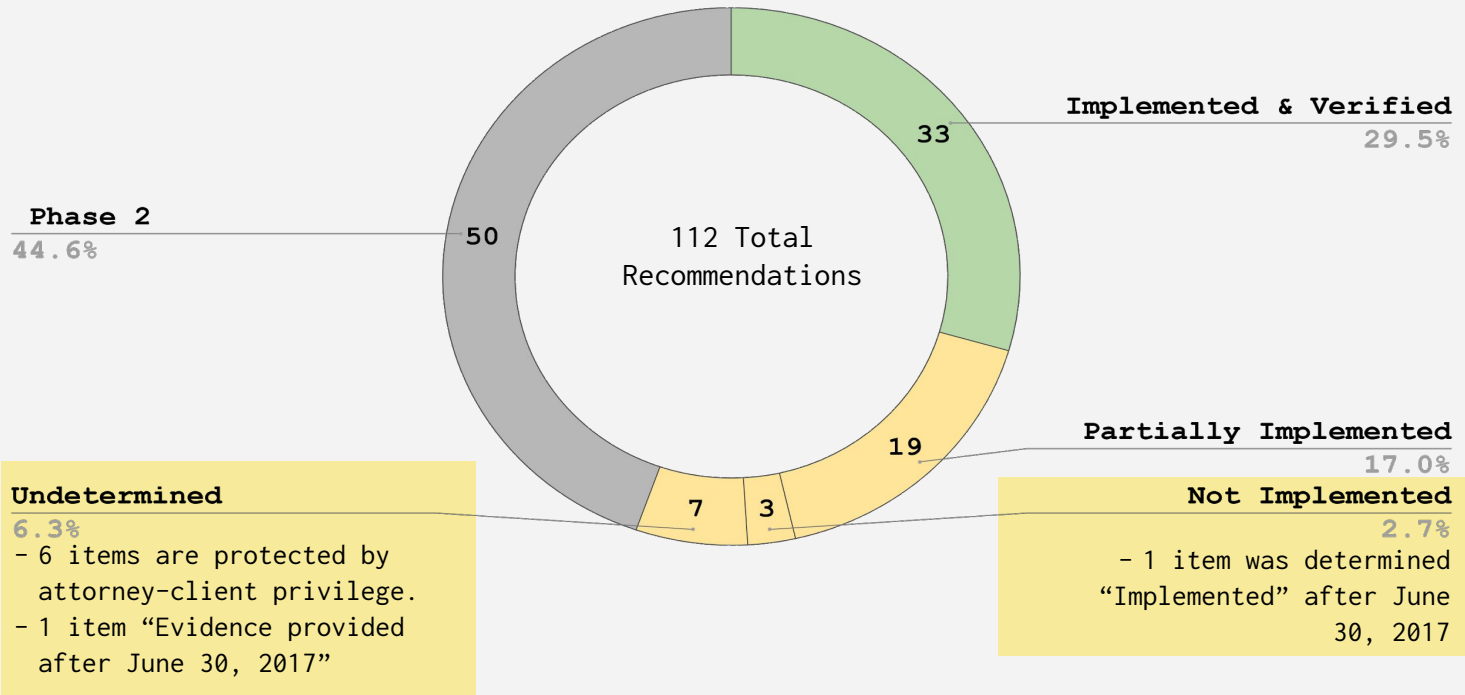


Internal Auditor Review - The District’s Internal Auditor (IA) will independently review the implementation of recommendations in a timely manner. The IA will review and verify the VLSFAI recommendations upon implementation by the District.

Moss Adams Review Phase 1 Results – March 2019



On May 8th, the Board approved additional resources to support implementation including: Colbi software for financial reporting & a contract with Swinerton Management & Consulting to assist the District develop, draft and publish a Bond Program Management Plan (“PMP”)



Additional Resources to Support Implementation: Colbi Implementation



Colbi provides program and project financial management and reporting software.

Bond Program Site Budget Status Report

West Contra Costa Unified School District Printed 10/24/2019

Consolidated Budget Status Report
Budgets versus Commitments and Expenditures for Multiple Projects

Budget vs. Commitments and Expenditures

	Budget	Commitments	Expenditures
School/Project Name	Total Budget	Total Commitments % Budget Committed	Total Expenditures % Budget Spent
3 Pinole Valley High School			
* Campus Replacement	156,497,205	150,514,550 96.2%	145,582,591 93.0%
* Fields/Sitework	17,173,016	28,100 0.2%	- 0.0%
* Interim Campus Demo	3,715,310	3,631,624 97.7%	3,441,572 92.6%
* Site Design	17,926,216	17,926,214 100.0%	16,739,593 93.4%
Detention Basin and Paving	3,517,521	3,517,521 100.0%	3,517,521 100.0%
Existing Building Demolition	2,511,397	2,511,397 100.0%	2,511,397 100.0%
Hillside Stabilization	2,199,821	2,199,821 100.0%	2,199,821 100.0%
Interim Campus	8,796,248	8,796,248 100.0%	8,796,248 100.0%
Legacy Furniture & Equipment	36,520	36,520 100.0%	36,520 100.0%
Legacy Program Cost	696,938	696,938 100.0%	696,938 100.0%
Legacy Restroom Renovation	167,601	167,601 100.0%	167,601 100.0%
Legacy Technology	37,165	37,165 100.0%	37,165 100.0%
Legacy Track	1,676,771	1,676,771 100.0%	1,676,771 100.0%
Off Site Parking and Traffic	1,240,584	1,240,584 100.0%	1,240,584 100.0%
Video Surveillance System	357,268	357,268 100.0%	357,268 100.0%
	216,549,580	193,338,321 89.3%	187,001,589 86.4%

Bond Program Project Budget Status Report

West Contra Costa Unified School District Printed 10/23/2019

Budget Status Report
Budget versus Commitments and Expenditures

3 Pinole Valley High School - * Campus Replacement

	Budget	Commitments	Expenditures
Budget Group/Object Code	Total Budget	Total Commitments % Budget Committed	Total Expenditures % Budget Spent
A - Site			
6190 - Other Costs - Site	311,879	306,879 98.4%	302,036 96.8%
	311,879	306,879 98.4%	302,036 96.8%
B - Planning			
6203 - Design Manager	71,902	71,902 100.0%	71,902 100.0%
6205 - DSA Fees	961,353	559,353 58.2%	559,353 58.2%
6207 - Other Costs - Planning	2,293,320	2,272,616 99.1%	2,157,992 94.1%
	3,326,575	2,903,871 87.3%	2,789,248 83.8%
C - Construction			
6211 - Main Construction Contractor	139,888,942	134,833,089 96.4%	132,771,455 94.9%
6217 - Construction Mgmt Fees	3,421,733	3,421,732 100.0%	3,073,649 89.8%
6219 - Other Costs - Construction	1,173,194	1,079,014 92.0%	932,469 79.5%
6220 - Interim Housing	2,334,373	2,168,996 92.9%	2,168,996 92.9%
	146,818,242	141,502,831 96.4%	138,946,569 94.6%
D - Testing			
6215 - Construction Tests	960,878	960,878 100.0%	913,599 95.1%
	960,878	960,878 100.0%	913,599 95.1%
E - Inspection			
6214 - Construction Inspection	1,089,587	1,089,587 100.0%	1,079,247 99.1%
	1,089,587	1,089,587 100.0%	1,079,247 99.1%
F - Furniture & Equipment			
4300 - Materials & Supplies - \$500	67,067	41,352 61.7%	39,279 58.6%
4360 - Supplies - Technology	43,060	43,059 100.0%	524 1.2%
4400 - Non-Capitalized Equipment \$500-4	189,461	136,104 71.8%	41,456 21.9%
4460 - Non-Cap Assets Tech \$500-5000	454,877	454,877 100.0%	92,374 20.3%
6400 - Capitalized Equipment >\$5000	1,710,517	1,600,183 93.5%	78,524 4.6%
6460 - Technology Equipment	1,525,062	1,474,929 96.7%	1,299,734 85.2%
	3,990,044	3,750,504 94.0%	1,551,892 38.9%
Totals	156,497,205	150,514,550 96.2%	145,582,591 93.0%

Additional Resources to Support Implementation: Bond Program Management Plan



The Program Management Plan will consolidate all the policies and procedures that define the functional areas of the Bond Program.

Table of Contents With Audit Reference (#)

WCCUSD Bond Program Management Plan

Introduction (32) (133) (161)

I. Program and Operations

A. WCCUSD's Vision and Mission

1. Bond Management Team Vision/Purpose Statement
2. Long-Range Facilities Master Plan
 - a. **Annual Review and Update (10) (68)**
 - b. Periodic Master Plan Reassessment (2)
3. Legacy Projects

Procedures With Resources, Links & Charts

Reader Initials & Date:

I. Program and Operations

A. WCCUSD's Vision and Mission

2. Long-Range Facilities Master Plan

West Contra Costa Unified School District's current Long-Range Facilities Master Plan (FMP) was approved by the Board of Education on June 15, 2016. The purpose of creating a new FMP was to solicit input for prioritizing and sequencing construction projects that will utilize the remaining funds from the Measure D 2010 and Measure E 2012 bonds. The process to create the Plan began on July 24, 2015. Community and stakeholder involvement were key elements in this highly involved, transparent process.

The complete 2016 Long-Range Facilities Master Plan, including the process by which it was developed and approved, can be found on the District's website at the Facilities Master Plan/Implementation page, which is located here: https://www.wccusd.net/cms/lib/VA01001466/Centricity/Domain/2417/WCCUSD_MasterPlan_Final_081216.pdf

a. Annual Review and Update (10) (68)

The Facilities Planning and Construction Department reviews the FMP annually, presenting updates on each Master Plan project to the Board, as well as the overall schedule and budget. Any factors that may have an effect on the Plan are brought to the Board's attention. These may include changes in critical needs, state funding eligibility, and project timelines. Master Plan updates from previous years can be found on the District's website at the Facilities Master Plan/Implementation page, which is located here: <https://www.wccusd.net/Page/9345>

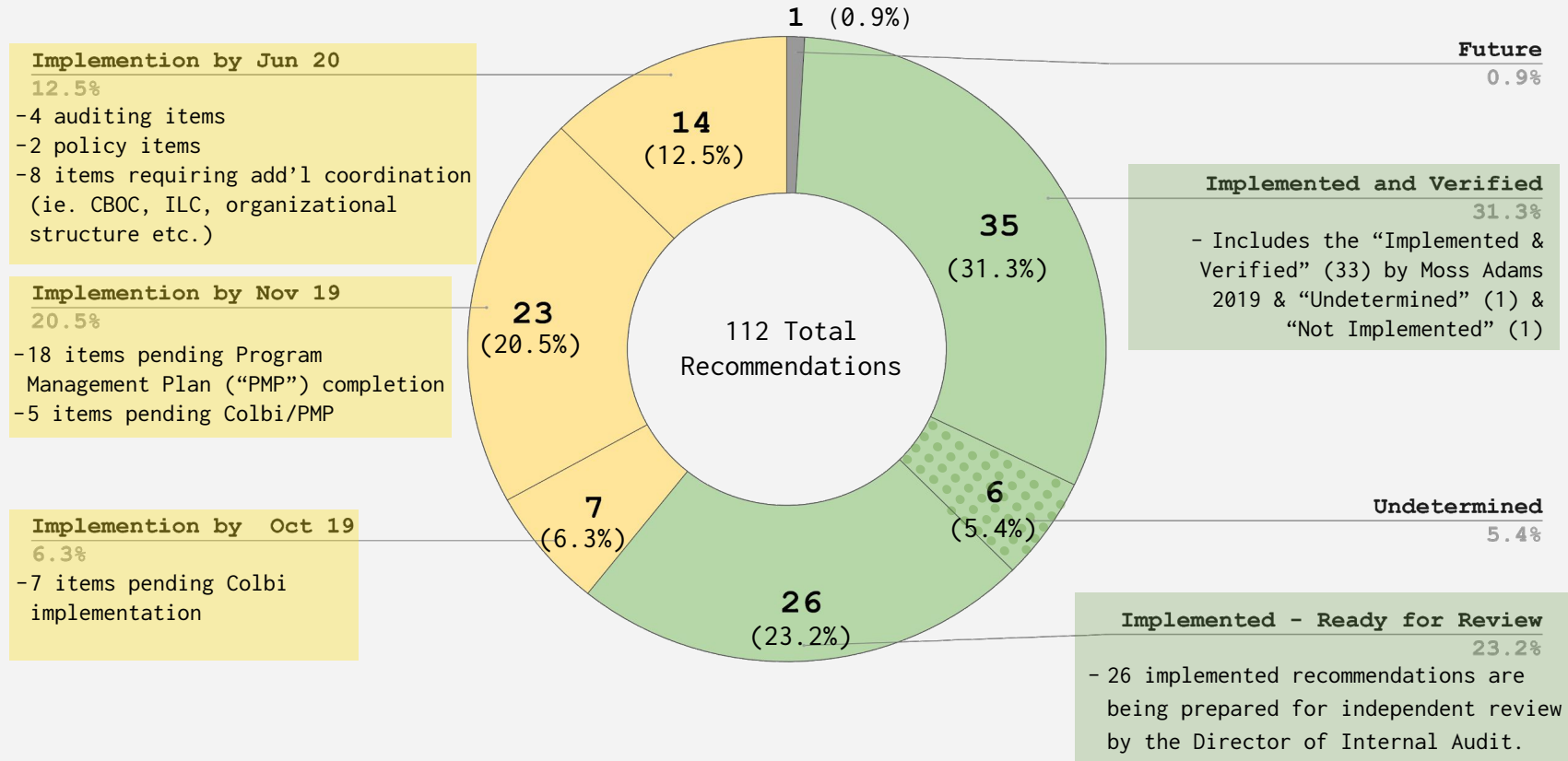
b. Periodic Master Plan Reassessment (2)

In the Conclusion section of the FMP, there is an Additional Recommendation to complete a periodic review of the Plan involving the community. While the FMP is kept current through the annual review process which is approved by the Board and shared with the FSC and the CBOC, there may be factors that call for a thorough reassessment of the Plan.

Audit Recommendation Tracking

Master List #	VLS #	Brief Description	Location	More Actions
1	TC 1.1	Adoptive CBOC membership	PO C.3.a.1	O
2	TC 1.1	Clearly define purpose of Master Plan	PO A.1.b	
3	TC 2.2	Get information about Master Plan in Bond Measures	WCCUSD	
4	TC 4.1	Review Governance Handbook (CBOC reform)	Board of Education	✓
5	TC 4.2	Review Act training workshop	Training	
6	TC 4.3	add Conflict of Interest section to GRI	PO C.2	✓
7	TC 4.4	Conflict of Interest section (cont.)	PO C.1, C.2	✓
8	TC 4.5	BCE power over contract amendments	Board of Education	✓
9	TC 4.6	BCE training on GH contracts	Board of Education	O
10	TC 5.1	annual external Master Plan review	PO A.2.a	
11	TC 5.2	multi-year, five-year budgets	F.A.1.A.1.b	
12	TC 6.1	budget priorities	F.B.1	
13	TC 6.2	budget verification per contract approval	F.A.3, B.3, D.3.a	O
14	TC 6.3	budget verification process	F.B.2	O
15	TC 6.4	budget string review by principal acct	F.B	O
16	TC 6.5	budget string sign off on transfer form	F.A.3, B.3	O
17	TC 6.6	New from the budget amendment transfer	F.A.3.a, D.3.a	O
18	TC 6.7	Bond project budget reports to BOE	F.A.3.a, D.3.a	
19	TC 6.8	budget instructions for BOE approval	F.A.3.a	
20	TC 6.9	New Budget Authorization Form monthly	F.A.3.a, D.3.a	

October 2019 – Work Plan & Progress Update for all recommendations



Anticipated Work Plan & Implementation Timeline

	Anticipated Implementation Work Plan Dates			
	as of August 2019	by October 2019	by November 2019	by June 2020
Total Implemented & Verified	33			
Total Implemented	67	74	97	111
% Implemented (Total Items 112)	60%	66%	87%	99%
Total High Risk Items	7	8	15	21
% Implemented (Total Items 21)	33%	38%	71%	100%

Next Steps

- ◀ Implementation Task Force - December 2019
- ◀ Facilities Committee - January 2019
- ◀ Bi-Annual Board Update - November 2019

Internal Auditor Independent Review of Implementation

Appendix C: Recommendation Work Plan

DRAFT

1

VLSFAI RECOMMENDATION # ML- 4 / TC 4-1

Include in the Governance Handbook examples of what would constitute the performance of a management function to help clarify the significance of the statement that Board members refrain from performing management functions. For example, include language to the effect that directing or attempting to direct the work of District vendors is not appropriate conduct for a Board Member. In addition, the Board should consider establishing a policy that restricts the frequency with which Board members may visit District offices or school facilities.

Read VLS FAI Recommendation and determine its purpose and intent.

2

Implementation Details:

Team: Superintendent **Priority:** Medium

Lead(s): Matt Duffy, Lisa LeBlanc (through June 2019)

Start Date: October 2016

Estimated Completion Date: November 2016

Actual Completion Date: November 2016

District Status: Implemented and Verified (June 2017)

Review Implementation Details to identify individuals responsible, implementation status, and timeline.

3

MAFAIR:

Phase: 1 Status: Implemented
Phase: 2 Status: N/A

Review Moss Adams Forensic Accounting Investigation Internal Review status. If available, read Moss Adams' Observation and WCCUSD Management Response in the Forensic Accounting Investigation Implementation Review Report.

4

Scope/Plan:

Consult with General Counsel, Harold Freiman, for legal guidance on the recommendation.
General Counsel recommendation to be presented to the full Board on or about November 2, 2016.
Received Memorandum and redlined version of Governance Handbook from legal counsel on October 20, 2016. Approved by Board on 11/2/2017
Additional refinements continue. Governance Handbook language revised 7/19/2017 and BP 9005 revised 8/9/2017.

Note: This item continues to be refined via changes to Governance Handbook and Board Policies

Read Scope/Plan. If available, compare to the Moss Adams Observation from the FAI Review Report to better understand the district's action plan to implement the recommendation.

5

Major Activities & Milestones	Estimated Start Date	Estimated Completion Date	Actual Completion Date	Current Status	Resource #
Friday Memo, Revised Governance Handbook			10/28/16	Implemented	1

Read through Major Activities & Milestones for evidence of implementation.

Internal Auditor Independent Review of Implementation

Appendix C: Recommendation Work Plan				DRAFT	
	BOE Item F-1, Revised Governance Handbook		11/2/16	Implemented	2
	BOE Item G-3, Revised Governance Handbook		7/19/2017	Implemented	3
	BOE Item F-1, Revised Governance Handbook		8/9/2017	Implemented	4
6	Resources: <ol style="list-style-type: none"> 1. Friday Memo, Revised Governance Handbook, October 2016 2. BOE Item F-1, Revised Governance Handbook, November 2016 3. BOE Item G-3, Revised Governance Handbook, July 2017 4. BOE Item F-1, Revised Governance Handbook, August 2009 				
7	Deliverables: <p>Revised Governance Handbook with newly added Vendor and Relations section (page 19) proving guidance on how board members should refrain from performing management functions, prohibits board members from directing the work of vendors, consultants, contractors, or others. Revisions also include language on site visitations which incorporates BP 9200.</p>				
8	Updates: <p>July 2017 Update:</p> <p>Refinements to the Governance Handbook applicable to this recommendation were approved by the Board on July 19, 2017. Under <u>Role of the Board</u>, the Board is to work with the Superintendent to fulfill its major responsibilities including "Maintaining the role as governors of the district and not day to day managers". In addition, and under <u>Vendor Communications and Relations</u>, language was revised added to the area whereby Board members should not influence the negotiation and terms of contracts and they should be handled primarily by District staff and/or District Legal Counsel. The Board acts as the decision making body regarding such contracts. Added language is "This includes all amendments to contracts as well".</p> <p>August 2017 Update:</p> <p>On August 9, 2017, the Board approved additional language to BP9005. Paragraph 9 was revised to read: "Understand that vendor selection procurement, negotiation and terms of contracts should be handled by District staff and/or District legal counsel. The Board acts as the decision making body regarding such contracts."</p>				
9	Internal Auditor Review: N/A				

10/2/2019 Page 2|2

Review Resources to identify and evaluate supporting documentation.

Review Deliverables to understand how the Resources support implementation of the Recommendation and reflect the Scope/Plan.

Read Updates to see how the district's implementation efforts have evolved after implementation.

Determine if the recommendation is implemented or if additional work is required before it can be rendered implemented and verified. Complete and provide a written review.