



Dr. Vasanne S. Tinsley, Interim Superintendent

Mrs. Vickie B. Turner, Board Chair
Mr. Dijon DaCosta, Vice Chair
Mrs. Anna Hill
Mr. Marshall D. Orson
Mrs. Deirdre Pierce
Mrs. Allyson Gevertz
Dr. Joyce Morley

FS 2021-001 Strengthen Oversight of the Information System Conversion

Internal Control Impact:

Significant Deficiency

Compliance Impact:

None

Description:

The DeKalb County Board of Education (School District) should strengthen oversight of its information system conversion from its legacy human resources/payroll (HR/Payroll) and financial system to its new financial system.

Corrective Action Plan:

The District has time-lined multiple corrective actions and increased efforts to fully implement the Financial Management Information System (FMIS), and strengthen Information Technology General Controls (ITGS). Full payroll implementation is scheduled for the first quarter of 2023.

Planned actions include:

- **Time-lined objectives:** As of June 29th, 2022 a detailed timeline with key implementation milestones has been created, which includes beginning payroll parallel run validation September 2022. Planned completion of payroll parallel validation is anticipated November 2022, with transition to live payroll and scheduled cut-off of the legacy system anticipated on or before March 2023.
- **Continued Process Transition:** Subsequent to the effective dates of the FY21 audit, several transaction balances previously processed in the legacy system have been successfully transitioned, including QBE revenue, SPLOST revenue, and bond principal and interest payments.
- **Continued Monitoring:** To help facilitate timely transition to the new financial software, beginning May 2022 Finance leadership began generating and reviewing a monthly listing of all remaining financial transactions still processed in the legacy software.
- **Improved Segregation of Duties:** To improve segregation of duties and increase assurance over monthly data transfers, an additional financial review of the monthly data transfer will be completed separate from the initial processing employee, with an anticipated implementation month of July 2022.

Estimated Completion Date: March 2023

Contact Person: Chief Financial Officer and Chief Human Resource Officer

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Email:

FS 2021-002 Strengthen Information Technology General Controls

Internal Control Impact: Significant Deficiency
Compliance Impact: None

Description:

The DeKalb County Board of Education (School District) should strengthen information technology general controls over its financial and human resource/payroll (HR/payroll) systems.

Corrective Action Plan:

The DeKalb County School District's Division of Information and Instructional Technology (DIIT) has made corrective actions to ensure logical access control procedures and recertification processes operate appropriately.

To support this effort, the Division of Information and Instructional Technology will:

- Assume control for all system governance, management and configuration, as well as access control responsibilities related to the new ERP system-related implementation.
- Reestablish access for all users based on division management approval and user role-based fiduciary responsibility.
- Implement a quarterly User Access Recertification Process for both the legacy and new ERP system.
- Update and strengthen Logical Access Policy and Procedures which includes enhanced management approval/verification as well as appropriate oversight by the district's Finance Division and Audits and Compliance Department.
- Develop ongoing, coherent, and clear communication to district leadership and impacted staff regarding IT policies and procedures related to logical access control.
- Expand staffing model to facilitate ongoing ERP system governance, support, and sustainability.
- Update Change Control policies to ensure appropriate monitoring for system integrity.
- Update, communicate, and implement currently developed Information Technology policies and procedures to ensure adoption by all users.

The district will continue to work aggressively to sunset the legacy ERP system and completely migrate to the new ERP system. Considering the legacy ERP system has technical limitations that prevent some of the recommended controls, the district will implement manual processes on a quarterly basis to help with risk mitigation.

Estimated Completion Date: March 2023

Contact Person: Monika Davis

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FS 2021-003 Strengthen Controls over Employee Compensation

Internal Control Impact: Significant Deficiency
Compliance Impact: None

Description:

The School District's policies and procedures were insufficient to provide adequate internal controls over the employee compensation process.

Corrective Action Plan:

Management is currently developing and finalizing a plan to strengthen internal controls relative to the issuance of supplements and other compensation, improve document retention and availability, and improve the precision of leave reporting.

Planned actions include:

- **Compensated Absences:** The vacation leave accrual process and relevant policy GBRI has been reviewed for appropriateness with reporting guidelines to ensure that no employees accrue more than the maximum allowable leave. This review was completed June 28th, 2022, from which it was determined that clarifying communication may need dispersed to applicable employees regarding the leave accrual process, including the timeframe in which employees have to utilize vacation leave before forfeiture occurs. Furthermore, all employees with negative vacation leave balances have been identified, and are under review with any necessary adjustments in process.
- **Supplement Issuance:** Procedures regarding supplement issuance are being reviewed for potential additions or alterations, with a projected completion date of December 31st, 2022. All doctoral supplements have been reviewed to ensure recipients have a qualifying doctoral degree. Furthermore, practices have been clarified such that no Division management is allowed to unilaterally approve supplements for employees within their own division or school. The Chief Human Resource Officer in place during the effective dates of the FY21 audit has been removed from Human Resources effective May 23, 2022.
- **Frozen-Scale Employees:** Limited cases of employee base salary in excess of published salary scales has taken place due to the impacts of prior salary studies, whereby the top range of salary scales was reduced year-over-year. In some instances, this leaves employees at the previous highest step "frozen" above the new, reduced scale. Management will review the current practice of frozen-scale employees to ensure policy is followed and appropriate approvals are completed. Any exceptions that remain due to impacts of prior salary studies will be clearly communicated, documented, and approved.

Estimated Completion Date: December 2022

Contact Person: Chief Human Resources Officer

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Email:

FA 2021-001 Strengthen Controls over Expenditures

Compliance Requirement:	Activities Allowed or Unallowed Allowable Costs / Cost Principles
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	Georgia Department of Education School Emergency Relief Fund
AL Number and Title:	COVID-19 84.425D – Elementary and Secondary School Emergency Relief Fund
Federal Award Number:	S425D210012 (Year: 2021) S425D20012 (Year: 2020)
Questioned Costs:	\$29,094

Description:

A review of expenditures charged to the Elementary and Secondary Emergency Relief Fund programs (Assistance Listing Number 84.425D) revealed that the School District's internal control procedures were not operating to ensure that expenditures were appropriately documented to support allowability.

Corrective Action Plan:

The School District will review current internal controls related to ESSER program expenditures. Additionally, the School District will develop and/or modify procedures to ensure that expenditures are appropriately documented and reflect the connection to the purpose of the ESSER program funds. Furthermore, the School District will provide on-going training to all ESSER fund users and increase monitoring.

Planned actions include:

- **On-going Technical Assistance Training:** The School District will increase compliance training to all ESSER fund users. Training will cover program implementation, budgets, use of funds, and prior approval requirements with emphasis on federal compliance requirements from Uniform Guidance, Section 200.403 – Factors Affecting Allowability of Costs and Uniform Guidance, Section 200.430 – Compensation-Personal Services. Furthermore, increased emphasis will be placed on Title VIII of the Cares Act, Section 18003(d), which details allowable uses of ESSER funds by School Districts.
- **Workflow Improvements:** Practices have been clarified such that no Division management is allowed to unilaterally approve supplements for employees within their own division. Furthermore, established District procedures require prior approval from ESSER grant leadership for the issuance of any supplements to be paid with ESSER funding.
- **Improved Reconciliations:** To ensure the ESSER programs are more prepared for external audits, a full salary reconciliation will be performed whereby all salary expenditures for ESSER reflected in the District's accounting records are properly identified by person and type of expenditure, with a planned implementation month of October 2022.

- **Improved Monitoring Controls:** In FY 2023, the School District will implement monthly monitoring meetings to ensure program compliance with relevant Uniform Guidance. This increased monitoring will ensure proper internal controls are maintained and policies and procedures are followed.

Estimated Completion Date: October 2022

Contact Person: Office of Federal Programs

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Email:

FA 2020-001 Improve Controls over Equipment

Compliance Requirement:	Equipment and Real Property Management
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Agriculture
Pass-Through Entity:	Georgia Department of Education
CDFA Number and Title:	Child Nutrition Cluster (CFDA 10.533 and 10.555)
Federal Award Numbers:	215GA324N1199
Questioned Costs:	None Identified
Repeat of Prior Year Finding:	FA 2019-001, FA 2018-001, FA 2017-001, and FA 2016-001

Finding Status: Partially Resolved

Description:

The policies and procedures of the School District were insufficient to provide adequate internal controls over equipment and real property management as it relates to the Child Nutrition Cluster.

Corrective Action Plan:

A process to fully track School Nutrition equipment will be implemented. To ensure accuracy of the equipment listings, the School Nutrition Inventory Specialist will conduct regular inspections of all kitchen locations throughout the fiscal year. In addition to regular inspections, School Nutrition equipment listings will be distributed to site managers quarterly for their review and certification.

Furthermore, to help ensure the completeness of School Nutrition equipment listings, current internal control processes will be enhanced with the addition of a year-end equipment reconciliation process whereby current year additions as identified in accounting records are reconciled to individual school listings.

To ensure more satisfactory compliance with 2 CFR 200.313, equipment tracking forms have been updated to include explicit consideration of required categories not previously reported such as federal participation in cost, the source of funding with associated FAIN number, and who holds title. The School District will work to ensure that the equipment tracking form notes information for all required categories for all items.

Estimated Completion Date: October 2022

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Presented to and approved by the DeKalb County Board of Education at the August 8th, 2022 Board Meeting.

Signed By:

Dr. Vasanne S. Tinsley, Interim Superintendent

Mrs. Vickie B. Turner, Board Chair

Mr. Dijon DaCosta, Vice Chair

Mrs. Anna Hill

Mr. Marshall D. Orson

Mrs. Deirdre Pierce

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