



Dr. Devon Horton, Superintendent

Mr. Diijon DaCosta, Board Chair  
Mrs. Deirdre Pierce, Vice Chair  
Mrs. Anna Hill  
Mrs. Whitney McGinniss  
Mrs. Allyson Gevertz  
Mrs. Vickie B. Turner  
Dr. Joyce Morley

## FS 2022-001 Strengthen Oversight of the Information System Conversion

**Internal Control Impact:** Significant Deficiency  
**Compliance Impact:** None  
**Repeat of Prior Year Finding:** FS 2021-001

### **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).

Planned actions include:

- Identify a project manager responsible for overseeing the full implementation of the FMIS
- Provide necessary resources such as staff augmentation and vendor subject matter experts to support the project manager.
- Segment the remaining tasks into detailed, yet manageable pieces of work that can be met within an achievable timeline.
  - Phase I (October 15, 2023) – transition all twelve-month employees into the FMIS.
  - Phase II (January 15, 2024) – transition all ten and eleven-month employees into the FMIS.
  - Phase III (April 15, 2024) – transition all part time and additional pay into the FMIS
- Facilitate the development of new standard operating procedures to support business processes within the FMIS for Human Resources, Finance, and Payroll Departments.
- Implement a communication plan to ensure all employees impacted in this FMIS conversion are aware of necessary activities and have necessary support.
- Provide effective and transparent project progress reporting. Assemble an Executive Committee (Chief Financial Officer, Chief Human Resources Officer, Chief Information Officer, Chief Operations Officer, and Chief of Staff) with Superintendent oversight to ensure project governance and consensus on all project-related decisions.

**Estimated Completion Date:** June 2024

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## FS 2022-002 Strengthen Information Technology General Controls

<b>Internal Control Impact:</b>	Significant Deficiency
<b>Compliance Impact:</b>	None
<b>Repeat of Prior Year Finding:</b>	FS 2021-002

### **Description:**

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

### **Corrective Action Plan:**

The 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:

- Update and strengthen general controls for system governance, management, and configuration. This includes reviewing, updating, and enforcing change control policies to ensure appropriate monitoring for system integrity.
- Update and strengthen logical access controls which includes enhanced management verification and approval as well as appropriate oversight by the District's Finance Division and Audits and Compliance Department.
- Establish a quarterly, user access recertification process for both the legacy and new ERP system based on division management approval and user role-based fiduciary responsibility.
- Expand staffing model to facilitate ongoing ERP system governance, support, and sustainability.
- Develop ongoing, coherent, and clear communication to district leadership and impacted staff regarding Information Technology policies and procedures.

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 continue to implement manual processes on a quarterly basis to help with risk mitigation.

**Estimated Completion Date:** June 2024

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## FS 2022-003 Internal Control Procedures

**Internal Control Impact:** Significant Deficiency  
**Compliance Impact:** None

### **Description:**

The accounting procedures of the School District were insufficient to provide adequate internal controls over multiple control categories.

### **Corrective Action Plan:**

The District will review current finance practices to strengthen internal controls, policies, and procedures and ensure adherence through improved monitoring.

Plan actions include:

- Update and strengthen standard operating procedures for
  - Treasury management and bank reconciliations,
  - General billing, invoicing, and revenue recognition,
  - Accounts payable and expense recognition,
  - Journal entries, and
  - Capital asset processing.
- Provide continuous training to all District employees to ensure adherence to internal controls, policies, and procedures.
- Review and clean-up transaction activity and balances booked to funds not aligned to the State Chart of Accounts.
- Develop a general ledger month-end close checklist which includes a listing of journal entries, reconciliations, monitoring and other clean-up activity to be performed monthly.
- Develop a year-end close checklist with due dates for tasks, reviews, and reconciliations necessary to ensure a timely closeout and accurate financial reporting.
- Engage other audit services to perform the District's annual audit, and deliver results by December 31<sup>st</sup> of each year. This will allow sufficient time for change implementation prior to next audit.

**Estimated Completion Date:** June 2024

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## FS 2022-004 Strengthen Controls over Employee Compensation

<b>Internal Control Impact:</b>	Significant Deficiency
<b>Compliance Impact:</b>	None
<b>Repeat of Prior Year Finding:</b>	FS 2021-003

### **Description:**

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

### **Corrective Action Plan:**

Management shall review, develop and implement internal controls and other processes regarding supplements and other compensation. The processes will outline document retention and improve the precision of leave reporting.

### Planned Actions Include:

- Supplements and other compensation:
  - Develop policy to address employee supplements and pay for extra work. Policy (GBA) was created and implemented for supplemental pay. This policy requires Superintendent or designee approval for supplements and pay for extra work.
  - Review and obtain appropriate documentation for current supplements.
  - Monitor new supplements and pay for extra work via Human Resources document review and verification.
  - Management shall review and monitor frozen-scale employees to ensure policy is followed and appropriate approvals are completed. A plan to return these employees back to a step structure shall be prepared and communicated to the employee.
- Compensated Absences
  - Review policy GBRI for appropriateness and employee leave banks for excessive or negative leave.
  - Amend leave reporting practices to ensure employees cannot accrue more than the maximum allowable leave.

**Estimated Completion Date:** June 2024

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**FA 2022-001 Improve Budgetary Controls over Expenditures**

<b>Compliance Requirement:</b>	Activities Allowed or Unallowed Allowable Costs / Cost Principles
<b>Internal Control Impact:</b>	Significant Deficiency
<b>Compliance Impact:</b>	Nonmaterial Noncompliance
<b>Federal Awarding Agency:</b>	U.S. Department of Education
<b>Pass-Through Entity:</b>	Georgia Department of Education
<b>AL Number and Title:</b>	COVID-19 84.425D – Elementary and Secondary School Emergency Relief Fund
<b>Federal Award Number:</b>	S425D210012 (Year: 2021) S425D200012 (Year: 2020)
<b>Questioned Costs:</b>	\$62,747.69

**Description:**

A review of expenditures charged to the Elementary and Secondary School Emergency Relief Fund program revealed instances in which expenditures had not been properly approved by the pass-through entity.

**Corrective Action Plan:**

The School District will review current internal control procedures related to the ESSER program expenditures. Additionally, the School District will ensure all ESSER fund users receive its policies and procedures to ensure allowable expenditures are approved through the Consolidated Application process before spending federal funds. The Program management in collaboration with Division of Finance implements a monitoring process to ensure control procedures are followed.

- **Ongoing Training:** The School District will increase training on federal grant compliance requirements and internal controls and procedures. The topics will cover intent of grant, allowable uses of ESSER grant funds, prior approval requirements of potential expenditures, required documentation for review and approval process, requirement that all potential expenditures be approved in the Consolidated Application and deemed allowable before spending of federal funds.
- **Workflow Improvements:** Review and approval workflow for expenditures will be strengthened to ensure review and approval by Office of Federal Program and Division of Finance. The School District continues to strengthen monitoring on internal controls through workflow improvements.
- **Budget Monitoring Improvements:** To ensure the ESSER programs are prepared for audits, a full reconciliation will be performed to ensure expenditures are approved through the Consolidated Application budget approval process.

**Estimated Completion Date:** June 2024

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## FA 2022-002 Improve Controls over Indirect Costs

<b>Compliance Requirement:</b>	Activities Allowed or Unallowed Allowable Costs / Cost Principles
<b>Internal Control Impact:</b>	Significant Deficiency
<b>Compliance Impact:</b>	Nonmaterial Noncompliance
<b>Federal Awarding Agency:</b>	U.S. Department of Education
<b>Pass-Through Entity:</b>	Georgia Department of Education
<b>AL Number and Title:</b>	COVID-19 84.425D – Elementary and Secondary School Emergency Relief Fund COVID-19 84.425U – American Rescue Plan Elementary and Secondary School Emergency Relief Fund
<b>Federal Award Number:</b>	S425D210012 (Year: 2021) S425U210012 (Year: 2021)
<b>Questioned Costs:</b>	\$559,442.53

### **Description:**

The School District charged indirect cost expenditures to the Elementary and Secondary School Emergency Relief Fund program in excess of the maximum amount allowed.

### **Corrective Action Plan:**

The School District will strengthen Finance internal controls, policies and procedures and ensure adherence through improved monitoring.

- **Ongoing Training:** The School District will increase training on Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Section 200.303 – Internal Controls. Additionally, training will be given on provisions included in the Uniform Guidance, Section 200.403 – Factors Affecting Allowability of Costs. Training will also cover, GaDOE’s manual on Financial Management for Georgia Local Units of Administration (FMGLUA).
- **Internal Control Procedure Improvements:** The School District will ensure ledger entries are accurate and all control procedures are being followed.
- **Questioned Costs:** The expenditures will be moved to the correct ESSER account.

**Estimated Completion Date:** June 2024

**Contact Person:** Dr. Myisha Warren, Executive Director of Federal Programs

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## FA 2022-003 Improve Controls over Equipment

<b>Compliance Requirement:</b>	Equipment and Real Property Management
<b>Internal Control Impact:</b>	Significant Deficiency
<b>Compliance Impact:</b>	Nonmaterial Noncompliance
<b>Federal Awarding Agency:</b>	U.S. Department of Education
<b>Pass-Through Entity:</b>	Georgia Department of Education
<b>AL Number and Title:</b>	COVID-19 84.425D – Elementary and Secondary School Emergency Relief Fund COVID-19 84.425U – American Rescue Plan Elementary and Secondary School Emergency Relief Fund
<b>Federal Award Number:</b>	S425D210012 (Year: 2021) S425U210012 (Year: 2021) S425D200012 (Year: 2020)
<b>Questioned Costs:</b>	None Identified

### **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 Elementary and Secondary School Emergency Relief Fund program.

### **Corrective Action Plan:**

The School District will maintain an equipment listing that includes all required information to identify the equipment, its status, cost, location, and ultimate disposal data. A physical inventory of equipment will be performed once every two years and the management will implement the monitoring to ensure control procedures are followed.

- **Ongoing training:** The School District will ensure all equipment inventory monitors are trained in maintaining accurate inventory as per Federal Uniform Guidance and guidance available from GaDOE. The topics covered will include reconciliation of results of the physical inventory to reflect accurately on property records.

**Estimated Completion Date:** June 2024

**Contact Person:** Dr. Myisha Warren, Executive Director of Federal Programs

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Presented to and approved by the DeKalb County Board of Education at the October 16, 2023, Board Meeting.

Signed By:

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Dr. Devon Q. Horton, Superintendent

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Mr. Dijon DaCosta, Board Chair

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Mrs. Deirdre Pierce, Vice Chair

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Mrs. Anna Hill

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