



DeKalb County School District Forensic Accounting Report Overview in Connection with District's CARES/ESSER I Spending

Audit Committee Presentation October 10, 2024

Presentation for Use by DeKalb County School District Management and Board of Education

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Agenda

1. Overview of Forensic Accounting Services
2. CARES/ESSER I Guidance & Uncertainty
3. Findings & Recommendations
4. Questions



Overview of Forensic Accounting Services



Overview of Forensic Accounting Services

Forvis Mazar's Responsibilities:

- Perform agreed upon scope of forensic accounting and grant compliance services for the DeKalb County School District (DCSD) in connection with CARES/ESSER I spending.
- Provide list of documentation that will be required to complete an examination of ESSER I spending.
- Perform an assessment of federal funds expenditures to help DCSD assess whether documentation is in line with the approved budgets as submitted and maintained in accordance with applicable ESSER I regulations and requirements.
- Prepare and provide DCSD a written financial spending analysis that provides details regarding spending by approved expenditure coding to general ledger(s) in relation to applicable budgets. The report will also address gaps identified in previously submitted reporting to the Georgia Department of Education (GaDOE).
- We will use and rely on information furnished by DCSD, its employees, and representatives and may rely on information available from generally recognized public sources.
- Because our services are limited in nature and scope, they cannot be relied upon to discover all documents or other information or provide all analyses of relevance to this matter. Accordingly, we make no representation as to the adequacy or sufficiency of the scope of our procedures for your purpose or any other purpose.

Overview of Forensic Accounting Services

Forvis Mazar's Responsibilities (cont'd):

- We performed our services in accordance with the Statement of Standards for Forensic Services established by the AICPA.
- Our services did not constitute an examination, audit, attestation, or agreed-upon procedures engagement as those services are defined under relevant AICPA standards. Accordingly, we will not provide an audit or attest opinion or other form of assurance and did not verify or audit any information provided to us.
- In addition, we were not engaged to provide an opinion with respect to the effectiveness of DCSD's controls or the degree of compliance with DCSD policies and procedures or applicable law and/or regulation.

Overview of Forensic Accounting Services

DCSD's Responsibilities:

- DCSD agreed to assume full responsibility for the substantive outcomes of the contracted services, including any findings that resulted.
- DCSD acknowledged that the agreed upon scope of services was adequate for your purposes and that you established and monitored the performance of the services to ensure they met management's objectives.
- All decisions involving management responsibilities related to the services were made by DCSD personnel and DCSD accepted full responsibility for such decisions.
- DCSD designated a management-level individual to be responsible and accountable for overseeing the performance of the services, Mr. Joel Thibodeaux, Director of Internal Audits & Compliance.

Interviews and Data Received

To perform our services, we requested documentation and information, gained access to internal DCSD financial systems, performed data analytics, and interviewed the following DCSD professionals:

Antywn Brown – former Deputy Chief of Operations

Byron Schueneman – Chief Financial Officer

Calandra Fisher – Analyst II Position Control

Diane Gardner – Analyst III Position Control

Dr. Michelle Jones – former Interim Chief Human Resources Officer

Dr. Myisha Warren – Executive Director, Office of Federal Programs

Dr. Tekisha Ward-Smith – Current Interim Human Resources
Administrator

Eric Cannaday – AP Manager, III

Joel Thibodeaux – Chief Audit Executive, Director Internal Audits &
Compliance

Karen Beadles – Director of Total Rewards

Lance McConkey – Controller

Monika Davis – Chief Information Officer

Shaun Thompson – Title I Director, Office of Federal Programs

Interviews and Data Requested

ESSER I documentation requested included:

- List of BOE members and executive leadership for DCSD
- Grant agreements and contracts with GaDOE
- Applicable ESSER I specific policies and procedures
- All project/program documentation
- Contact information for relevant DCSD staff
- Bank statements from January 2020 to current
- Most recent Single Audit
- Approved ESSER I budget and amendments
- Listing of actual ESSER I expenditures
- Accounts payable registers
- Accounts payable detail for ESSER I expenditures
- Payroll registers
- General ledger
- Munis Expenditure Central module
- Munis Account History Detail module
- Munis Journal Inquire module
- A variety of approval and documentation support for ESSER I spending categories

Interviews and Data Requested

Forvis Mazars encountered difficulties throughout the engagement obtaining requested documentation and information despite weekly project update calls with DCSD project staff. Had we received requested information and system access in a more timely manner and readily usable format, our procedures would have been more efficient and our engagement would have been completed sooner.

Additionally, throughout our procedures and the drafting of our report, we continued to encounter delays in receipt of requested information. Therefore, the report refers to requested information that remained outstanding as of the date the report was written.

Some additional information has been made available. However, we do not anticipate updating our report for that information.

CARES/ESSER I Guidance and
Uncertainty



CARES/ESSER I Guidance and Uncertainty

- Between March 2020 and March 2021, Congress allocated \$189.5 billion for a new Elementary and Secondary School Emergency Relief Fund through ESSER I, ESSER II, and ESSER III grant programs. However, the manner in which the funds were distributed, coupled with different rules and requirements that changed over time, made ESSER funding very different from other common forms of federal and state education aid. ESSER I funding was targeted at the urgency of addressing the immediate impact of the COVID-19 pandemic on schools. Therefore, ESSER I spending took place in a generally more chaotic atmosphere that allowed little time for detailed upfront planning.
- One of the differentiating elements of ESSER I funding was the flexibility of its use. However, lack of clarity of the governing rules and regulations early on left local educational agencies (LEA) to use their best judgment with regard to how to spend the funds and how to manage the approval and documentation of expenditures, in some instances. Furthermore, spending that had normally been supported by the DCSD General Fund and DCSD's standard processes for approving and documenting non-federal funds was now being supported with federal funding. Thus, there was a learning curve for many divisions as they transitioned to the more stringent approval and documentation requirements that accompany federal funding.
- DCSD managed approximately \$40 million in Title I, Part A funds annually. DCSD's funding under ESSER I, II and III, received within a 12-month period, was \$486.5 million. In some instances, DCSD divisions that had seldom or never dealt with federal funds suddenly were dealing with significant amounts.
- Therefore, generally what we saw at DCSD was some deficiencies in internal controls early on and improvement in processes, procedures and controls related to ESSER I funding over time as clarified guidance became available and the urgency that was present during the initial ESSER I timeframe eased giving DCSD officials and professionals more time to plan and put new processes and controls in place.
- This phenomenon is not unique to DCSD. We have extensive experience with COVID-19 related grant funding through many different programs. The issues created by the urgency of the situation and the lack of initial clear guidance as described have been commonly encountered.

ESSER I Requirements

Per Section 18003(d) of the CARES Act, ESSER I funds could be used by DCSD for the following purposes.

- At-Risk Populations
 - Supporting students with disabilities, English learners, migrant students, homeless students, low-income students, children in foster care
- Distance/Remote Learning
 - Devices, hot spots, internet service, instructional packets/resources, online learning platform
- School meals
 - Preparing/delivering meals, cost for meals not covered by USDA, hazard pay, transportation costs
- Mental and Physical Health
 - Counseling, telehealth, school nursing, therapeutic services, wraparound support and training
- Supplemental Learning
 - Extended learning schedules, remediation, before/after school program, additional pay for teachers and mentors
- Facilities and Equipment
 - Deep cleaning buildings/buses, PPE (masks, gloves, disinfectant), supplies, and hazard pay

ESSER I Requirements

Per Section 18003(d) of the CARES Act, ESSER I funds could be used by DCSD for the following purposes (cont'd).

- Professional Development
 - Training for school leaders, teachers, and staff, and extended Professional Development days
- Continuity of Core Staff and Services
 - Restoring potential FY 2021 budget reductions due to decreased state and/or local revenue, offsetting need to furlough school staff

Uniform Guidance – Section 200.403 – Factors Affecting Allowability of Costs

- Costs must meet the following general criteria in order to be allowable under Federal awards
 - Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles
 - Conform to any limitations or exclusions set forth in these principles or in the Federal award as to the types or amount of cost items
 - Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity
 - Be adequately documented

ESSER I Requirements

Uniform Guidance – Section 200.430 – Compensation – Personal Services

- Prescribes standards and documentation of personnel expenses and state, in part, that (a)...Costs for compensation are allowable to the extent that they satisfy...specific requirements..., and that the total compensation for individual employees:
 - Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities;
 - Follows an appointment made in accordance with the non-Federal entity’s laws and/or rules or written policies and meets the requirements of Federal statutes, where applicable; and
 - Is determined and supported as provided in paragraph (i)...[as follows:] (i) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:
 - Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated,
 - Be incorporated into the official record of the non-Federal entity...”

Findings and Recommendations



ESSER I Approved Budget and Primary Spending Categories

We analyzed DCSD’s Life to Date Expenditure file for ESSERI expenditures. In doing so, we categorized the spending based on the definitions of the object codes in the DCSD Chart of Accounts. The largest components, based upon our categorizations and mapped back to the allowable uses of the allocated \$33,585,162 in ESSER I funds, were as follows.

Continuity of Services – School Nutrition Services Budget Deficit – School Nutrition Program Cafeteria (inclusive of salaries and benefits for school nutrition personnel, purchased food, supplies, and expendable equipment)	\$14,963,468	44.6% of ESSER I spending
Distance Remote Learning – Computer (Chromebooks and other) and technology related spending to support remote learning	\$8,361,208	24.9% of ESSER I spending
Facilities and Equipment – Cleaning/office supplies, including deep cleaning facilities and equipment and provision of PPE	\$5,362,355	16.0% of ESSER I spending
Continuity of Services – Staff (Employee salaries and benefits reclassified to ESSER I, Calendar Buy-Back day salaries and benefits, Professional Development Stipends used to counteract potential furloughs, and Supplements)	\$4,227,982	12.6% of ESSER I spending

Findings and Recommendations

DCSD's ESSER I Approved Budget and Actual Spending

Procedures

- The original budget, amended budgets and the District's actual ESSER I spending were compared to determine how the budget changed over time and if actual expenditures differed from the final ESSER I budget approved by GaDOE

Finding

- DCSD's actual ESSER I spending differed 25% or more from the ESSER I Amended Budget 3 for 2 function codes, which necessitated a budget amendment per the GaDOE Federal Program Handbook
 - 2230 Federal Grants Administration exceeded approved budget by 82.3%, or \$165,160.16
 - 2300 General Administration exceeded approved budget by 79.7%, or \$35,498.73
- At our request, the Office of Federal Programs (OFP) contacted GaDOE regarding the need for remedial action or retroactive approval
 - The GaDOE ESSER Program Manager verified that budget amendments should have been filed. However, as the ESSER I program is closed, no retroactive approval could be sought

Findings and Recommendations

DCSD's ESSER I Approved Budget and Actual Spending (cont'd)

Observation

- The ESSER I Amended Budget 3 approved by GaDOE and the LTD ESSER I Expenditure Report for ESSER I both indicated that \$15,042,286 was approved and spent for function code 3100, School Nutrition Program. However, the funds were not actually spent in accordance with how they were described in the ESSER I Amended Budget 3 submitted to GaDOE
 - ESSER I Amended Budget 3 indicated that \$11,342,343 was to be spent related to the Calendar Buy-Back day. In reality, only \$78,818 of ESSER I funds were spent
 - ESSER I Amended Budget 3 indicated that \$3,648,883 was to be spent related to the School Nutrition Services (SNS) budget deficit. In reality, \$14,963,468 of ESSER I funds were spent
- At our request, OFP contacted GaDOE regarding the need for remedial action or retroactive approval
 - The GaDOE ESSER Program Manager responded that the approval process was flexible, allowing Local Education Agencies (LEA) to use the funds as needed to address their specific requirements, provided they adhered to the grant's guidelines. This included the use of funds for paying salaries and benefits to existing staff

Findings and Recommendations

DCSD's ESSER I Approved Budget and Actual Spending (cont'd)

Recommendation

- We recommend that for any funding passed through to DCSD by GaDOE, processes should be established and documented to verify the accuracy of the information reported to GaDOE in the budget approval process and to monitor actual funding expenditure variances and seek any required budget amendment approvals on a timely basis

Management's Response

- Management acknowledges the finding and has consulted with GaDOE as stated.

GaDOE Response

- GaDOE supports the recommendations regarding the District completing the necessary budget amendments to ensure the Code of Federal Regulations is followed accurately. Per 2 CFR 200.308 Revision of budget and program plans: (a) The approved budget for the Federal award summarizes the financial aspects of the project or program as approved during the Federal award process. (b) Recipients are required to report deviations from budget or project scope or objective and request prior approvals from Federal awarding agencies for budget and program revisions per this section
- Following this regulation:
 - Ensures the District does not exceed the available variance for actual spending versus approved budgeting
 - Reduces the District's risk determination as assessed by the Financial Review and Division of Federal Programs
 - Reduces any instance of audit findings

Findings and Recommendations

DCSD's ESSER I Approved Budget and Actual Spending (cont'd)

GaDOE Response (cont'd)

- In regard to the budget descriptions where the DCSD's budget described Calendar Buy-Back days as opposed to a School Nutrition Staff deficit, GaDOE would have approved both descriptions as the statute described that a LEA may use ESSER funds for the broad range of activities listed in section 18003(d) of the CARES Act as other activities that are necessary to maintain the operation of and continuity of services in the LEA and continue to employ the existing staff

Findings and Recommendations

Continuity of Services – SNS Budget Deficit

Finding

- The ESSER I Budget Amendment 2 and 3 included the use of ESSER I funds to address the SNS budget deficit related to the effects of the COVID-19 pandemic. The ESSER I Budget Amendment 2 indicated that it was approved by the then Superintendent on November 11, 2021 and, according to the GaDOE process in place at the time, would have been approved by GaDOE subsequent to that approval. However, the LTD Expenditure Report for ESSER I expenditures noted that the effective date of the SNS budget deficit entries occurred in June of 2020 and June of 2021 and the actual date of the journal entries was November 10, 2021, prior to the submission and approval of the ESSER I Budget Amendment 2. DCSD can only spend funds per a budget or amended budget after the approval by GaDOE
- At our request, OFP contacted GaDOE regarding the need for remedial action or retroactive approval
 - The GaDOE ESSER Program Manager verified that budget amendments should have been filed. However, as the ESSER I program is closed, no retroactive approval could be sought

Recommendation

- We recommend that going forward, DCSD ensure that all appropriate approvals are obtained prior to transacting or expending federal funds

Management's Response

- Management acknowledges the finding and has consulted with GaDOE as stated

Findings and Recommendations

Continuity of Services – SNS Budget Deficit (cont'd)

GaDOE Response

- GaDOE supports the recommendations regarding the District completing the necessary budget amendments to ensure the Code of Federal Regulations is followed accurately. Per 2 CFR 200.308 Revision of budget and program plans: (a) The approved budget for the Federal award summarizes the financial aspects of the project or program as approved during the Federal award process. (b) Recipients are required to report deviations from budget or project scope or objective and request prior approvals from Federal awarding agencies for budget and program revisions per this section
- Following this regulation:
 - Ensures the District does not exceed the available variance for actual spending versus approved budgeting
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 - Reduces any instance of audit findings

Findings and Recommendations

Professional Development Stipends

Procedures

- The payment of the Professional Development Stipends (PDI) was run through DCSD's normal payroll process. Payment of the PDI was tested back to the underlying Payroll Gross to Net documentation, without exception, and to Verification of Hours (VOH) forms to verify attendance and amounts charged to ESSER I funding.

Finding

- In total \$287,411 of ESSER I funds were used to pay PDI to 1,033 unique Employee ID numbers. DCSD provided VOH forms for schools within the District.
 - Of the 118 entries tested, only 20 were located within the Verification of Hours forms:
 - 2 matched the VOH forms exactly
 - 9 were listed on the VOH forms as having attended 24 hours, but receiving no compensation
 - 3 were listed on the VOH forms, but crossed out
 - 5 had more attendance hours and compensation listed on the VOH forms than was paid with ESSER I funds
 - 1 was listed on the VOH form as having attended 0 hours and receiving compensation, yet was noted in the journal entry transferring the PDI to ESSER I funding as having received compensation through ESSER I funds

Findings and Recommendations

Professional Development Stipends (cont'd)

Finding

- We noted that of the 20, only 2 were teachers. Of the other, 11 were Assistant Principals, 3 were STAR Substitutes, and 1 each of a Principal, Campus Supervisor, Interpreter and API.
- Through discussions with DCSD, it was determined that the VOH forms were primarily used for teaching staff and that non-teaching staff attendance may have been verified in a different manner. By category, the PDI payments paid with ESSER I funds went to:
 - Dept-Bus Drivers \$91,920
 - Not Listed/CrossPointe Search Required \$33,078
 - Dept – Special Services \$6,280
- Through further research, DCSD verified the following:
 - Bus drivers had to submit artifacts for verification in order to receive the stipend. However, back up documentation has been moved from the Transportation Office to an off-site storage location.
 - Special Services would be mostly school-based staff not classified as teachers, but include in the school VOH forms and/or have artifact folders. Most of these recipients are Sign Language Interpreters and other Exceptional Education Specialists. Other listed employees included Exceptional Education senior staff for whom no VOH forms or artifacts could be located.
 - Individuals noted as Not Listed/CrossPointe Search Required, DCSD was unable to verify those recipients with any available information. DCSD indicated that moving forward with verifying the identity and assignment of those employees was not possible without significant investment of resources.
 - Therefore, Forvis Mazars was unable to satisfactorily verify that individuals receiving PDI stipends with ESSER I funds attended the trainings.

Findings and Recommendations

Professional Development Stipends(cont'd)

Recommendation

- We recommend the Superintendent and/or BOE, with input from OFP, determine if further effort should be made to attempt to complete verification.
- Going forward, DCSD should ensure that appropriate documentation is maintained to support the expenditure of federal funds. The formal documentations should clearly state:
 - The funding source in use
 - The type and amount of expenditure
 - The rationale for the eligibility and allowability of the expenditure under the funding source
 - The signature of the approving party(ies)
- Such documentation should be maintained in a format easily accessed for use in DCSD Internal Audit and Compliance group projects, Single Audits, and potential program audits by grantors or others.

Findings and Recommendations

Human Resources/IT Supplements Related to COVID-19

Procedures

- We were provided with a listing of 30 individuals that received supplement pay totaling \$74,250 from ESSER I funds and analyzed the payments for compliance with DCSD policies with regard to supplements and compliance with eligibility and allowability under ESSER I.

Finding

- The supplement payments did not go through OFP for approval as required. Furthermore, the supplements did not adhere to the DCSD requirement that supplements were eligible for “new tasks that require additional time and accountability above and beyond the existing job duties of the employee.” The scopes of work used to support the payment of supplements indicated that the activities were not “beyond the existing job duties of the employee,” although it is understood that the amount of time expended to perform the scopes of work may have been in excess of pre-COVID-19 levels.
- As the supplement payments were contrary to the then DCSD established written policy that supplements could only be paid for “new tasks that require additional time and accountability above the existing job duties of the employee” they were in violation of Uniform Guidance Section 200.430 and were therefore an unallowable use of ESSER I funds.
- Related to the payment of the supplements, the 2022 Georgia Department of Audits & Accounts financial audit found that DCSD’s policies and procedures were insufficient to provide adequate internal controls over the employee compensation process. DCSD submitted a Corrective Action Plan (CAP) that addressed the remediation of that finding.
- DCSD provided correspondence from GaDOE dated November 2, 2022 acknowledging the transfer of the supplements from ESSER I funding to the DCSD General Fund to correct the inappropriate expenditure of federal funds. GaDOE also reviewed the District’s CAP regarding the supplement payments and found it to be appropriate.

Findings and Recommendations

Expendable Equipment and Expendable Computer Equipment

Procedures

- We reviewed the expendable equipment and expendable computer equipment listed in the LTD Expenditure Report for ESSER I expenditures totaling \$8,361,209 and attempted to identify amounts within the inventory logs in line with the requirements of the DCSD Inventory Standard Operating Procedure (SOP).

Findings

- DCSD was unable to provide us with all necessary inventory logs to reconcile to the expendable equipment and expendable computer equipment purchased with ESSER I funds. We were only able to identify \$5,666,104 purchased with ESSER I funds within the inventory logs. This included \$819,840 for hotspots and \$4,840,264 for Chromebooks.
- We determined that additional purchases were made for private and charter schools. Based on additional inventory logs provided by the District, we were able to identify \$134,534 for non-public schools and \$333,723 for charter schools.
- In total, we were only able to identify \$6,017,361 or 73% of the expendable equipment and expendable computer equipment purchased with ESSER I funds to the provided inventory logs. In addition, we noted there were supplies that appeared to be inaccurately coded to expendable equipment.
- The inventory files received from DCSD identified some of the inventory as lost or stolen; however, we were unable to determine if there was additional lost, stolen or disposed of ESSER I inventory as it appeared the provided inventory logs were not the complete set of inventory logs for ESSER I purchases.
- We were unable to determine if the locations listed within the inventory logs were the current locations as DCSD did not provide the last date of a physical inventory, nor were physical inventory record provided for our review.

Findings and Recommendations

Expendable Equipment and Expendable Computer Equipment

Recommendations

- The Inventory SOP pertains to Title I. If that Inventory SOP is to be used for other federal funds, it should be updated to address the other federal program specific guidelines, or at a minimum document within the SOP what other federal funding sources to which it is applicable.
- DCSD should maintain inventory logs for all expendable equipment and expendable computer equipment purchased with federal funds. Those inventory logs should be updated in a timely manner to coincide with actual purchases, dispositions and identification of lost or stolen items purchased with federal funds.
- DCSD should maintain a log of the dates of physical inventories, whether they were performed on-site or virtually, and maintain documentation of the version history updates to corresponding inventory logs. Physical inventories should be performed and documented in an appropriate manner on a timely basis.
- The Finance Department should ensure that proper coding occurs within Munis so that expenditures are coded to the proper function and object codes.

Findings and Recommendations

Expenditures through Accounts Payable

DCSD paid for non-payroll related ESSER I purchases through Accounts Payable (AP) utilizing Munis, the Enterprise Resource Planning information system. ESSER I AP expenditures totaled \$14,677,931 and were comprised primarily of technology, PPE, and cleaning supplies. Invoices are processed consistently regardless of funding source, as the funding source is already set up in Munis prior to AP's receipt of the invoice. However, according to the District's Federal Programs Title I, Part A Standard Operating Procedures (revised in September 2020) all purchases requesting federal funds had to be approved by OFP. Therefore, any purchases with ESSER I funds required the prior review and approval by OFP.

Procedures

- It was our intent to review all ESSER I expenditures, verify approvals, and tie them back to underlying documentation. However, as previously indicated, we had significant difficulty obtaining access to requested information. During various project update calls, the DCSD Chief Audit Executive discussed that the requested information would be difficult to provide and requested that we pull a sample of AP that was coded to ESSER I funds.
- We pulled our initial sample using data analytics, which consisted of transactions that were deemed to be potentially high risk using common analytic metrics such as:
 - Duplicate payments
 - Duplicate vendors
 - Matching vendor and employee addresses
 - Proximity of vendors
- In addition, we included a random sample of transactions which included round dollar transactions

Findings and Recommendations

Expenditures through Accounts Payable

Procedures (cont'd)

- The initial sample was 109 transactions totaling \$5,591,491 from 34 different vendors. The initial sample dollar value totaled 38.1% of the ESSER I expenditures made through AP.
- To perform our procedures, we obtained restricted access to Munis to pull purchase orders, invoices, check images, contracts, and other available supporting documentation. We cross-walked \$960,824 of the payments to bank statements to verify that the tested transactions were payable to the listed vendor in the listed amount per the listing of ESSER I expenditures paid through AP.
- We reviewed all requisitions for the full ESSER I AP population within the Munis requisition module to determine if they were approved by OFP as required.
- For the requisitions that were not noted as having been approved by OFP, we reviewed them with OFP and DIIT, as they worked together to create the approval workflows in Munis, to understand why the requisitions did not follow the appropriate approval workflow.

Findings

- We were able to validate all of the \$5, 591,491 initial sample by reviewing requisitions, purchase orders, invoices, check images, and other documentation.
- For the expanded review of all \$14,677,931 in ESSER I expenditures through AP, we reviewed requisitions and identified that 97% of the requisitions had followed the appropriate approval workflow. However, 13 expenditures, totaling \$5,626,259 did not receive OFP approval. Of the 13 expenditures:
 - 10 requisitions totaling \$5,518,173 did not have OFP in the approval workflow at all
 - 2 requisitions totaling \$108,000 had OFP in the approval workflow, but someone else outside of OFP, but at the same approval level, approved the requisition, thus “skipping” OFP’s required approval.

Findings and Recommendations

Expenditures through Accounts Payable

Findings (cont'd)

- 1 requisition in the amount \$75 was rejected by OFP, but was still ultimately approved according to the approval workflow in Munis. The requisition was for a blue vinyl changing pad.
- We supplied as list of all ESSER I AP transactions that had not gone through OFP for approval to the OFP Executive Director. After review, she confirmed that all the expenditures would have met the criteria for OFP approval under the federal guidelines as an eligible and allowable expenditure of ESSER I funds, with the exception of the \$75 requisition that OFP had rejected.
- With regard to why OFP was not always included in the ESSER I approval workflows, DIIT indicated that several top leaders of DCSD were transitioned during this time period, including the Superintendent and Chief Information Officer, which resulted in directives not always being communicated consistently throughout DCSD. In addition, many of the goods and services funded by ESSER I were normally purchased through the General Fund which resulted in some confusion of how the approval workflows should be set up.

Recommendations

- OFP should continue to work closely with DIIT to develop detailed approval workflows in Munis and should review and approval all workflows before the expenditure of federal funds.
- OFP should review all approval workflows associated with federal funds on a periodic basis to continuously ensure those workflows are set up appropriately.
- OFP should be the only group with authority to approve federal funds requisitions at the appropriate step, and if OFP approval was not obtained, requisitions should be blocked from moving forward in the approval process.
- OFP should reject all unallowable expenditures in Munis funded with federal funds and monitor all federal funds expenditures on a periodic basis.

Findings and Recommendations

Expenditures through Accounts Payable

Management's Response

- Management acknowledges the findings.
- Changes in executive management and approaches to Munis conversion management caused workflows to be delayed in development and implementation following the request from OFP. In the interim, since FY 2020 and FY 2021, when these transactions occurred, DCSD has completed the migration of procurement, payables, and payroll to Munis from CrossPointe, providing for system workflows to be solidly established. Approval workflows will be monitored and reviewed on no less than quarterly basis to ensure that federal programs expenditures receive appropriate review and approval from OFP in compliance with federal grant rules.

Thank you for the opportunity to provide services to DCSD.

We would be happy to answer any questions.



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