



DeKalb County Board of Education Audit Committee Meeting November 7, 2024

Internal Audit Updates

CTAE Business Processes – Central Office & Schools



November 2024 Internal Audit Updates



PRESENTATION AGENDA

1. Internal Audit Updates
2. CTAE Business Processes – Central Office to Schools

Internal Audit Updates

Current Departmental Audits

- Fleet Services – Fuel & Maintenance Scope Areas
 - Meeting with new inventory management regarding initial findings
 - Completion in early December with AC presentation in January
- Athletics – Critical Staff returning Mid-November, audit will kick off in the week of November 18
- Contract for Operations & DIIT assessment has been signed. Currently engaging vendor CESO to schedule kickoff meeting and communicate requests for information and interviews.

Internal Audit Updates

School Audits

- Completed Audits – Reports in revision and available to BOE during November 2024

Internal Audit Updates, cont.

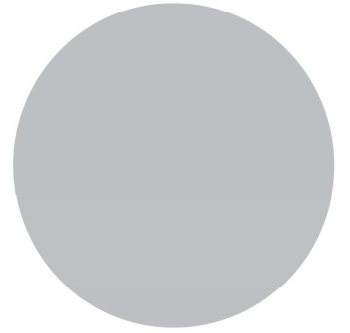
Booster/PTO Policy revision

Board Policy LEC & Administrative Regulation LEC-R

- Draft language for Policy LEC has been submitted to Legal Affairs.
- Revision language for Regulation LEC-R is in final draft.
 - Types of donations and provisions allowed
 - Notification and/or approval of support services provided to students through membership



CTAE Business Processes – Central Office to Schools



Career, Technical, and Agricultural Education Program Overview

DCSD CTAE Program Goals:

- To prepare DeKalb County Schools' students to compete in a global and technological society
- To prepare students to enter and meet the needs of a high demand and high skilled workforce
- To prepare students for post-secondary options without the need for remediation
- To prepare students to become self-directed and lifelong learners
- To develop socially conscious students
- To expose elementary and middle grade students to career awareness

17 Career Clusters Available to Students

Agriculture, Food & Natural Resources	Finance
Architecture & Construction	Science, Technology Engineering & Mathematics
Arts, A/V Technology & Communications	Hospitality & Tourism
Business Management & Administration	Government & Public Administration
Education & Training	Manufacturing
Information Technology	Law, Public Safety Corrections & Security
Energy	Transportation, Distribution, & Logistics
Human Services	Marketing
Health Science	

SCOPE OF PROJECT

DCSD Career, Technical, and Agricultural Education Program

- Funding
- Equipment Inventory
- Expenditures
- Extended Day
- School Based Enterprises

DeKalb High School of Technology - South

- Purchasing Process / Inventory
- Student Activity Funds
- Record Keeping Practices

CTAE Scope Area 1: Funding

Documentation reviewed:

- CTAE Middle and High School Pathways.pdf
- Division of Curriculum & Instruction Career Technical and Agricultural Education Standard Operating Procedures Manual: Carl D. Perkins and State CTAE Grants)
- GaDOE Website(www.gadoe.org)
- Consolidated applications pulled from Georgia Department of Education Website (GaDOE)

District Level Employees Interviewed:

- Ms. Stacy Stepney, Chief Academic Officer
- Ms. Doryiane Gunter, CTAE Director

CTAE Scope Area 1: Funding

Perkins Funds Process:

1. Consolidated Application submitted to GaDOE – May 15
 - With Superintendent and CTAE Director sign-off
2. GaDOE Review
 - Award Notification – July through August
3. Fund Allocation and Final Budget Submission to GaDOE
 - Allocations based on Consolidated Local Needs Assessment
 - Submitted with Superintendent and CTAE Director sign-off

CTAE Scope Area 1: Funding

Standard: GaDOE FY 24 Budget Guidance for Expending CTAE Grant Funds

“funds made available under this Act for career and technical education activities shall supplement, and shall not supplant, non-Federal funds (local or state funds) expended to carry out career and technical education activities.”

Internal Controls Identified:

- Daily Review of financial data for budget adherence
- Recipients monitor to ensure avoidance of supplanting day-to-day operational costs
- Annual Reconciliation to confirm program compliance and that supplanting did not occur

CTAE Scope Area 1: Funding

Testing:

Auditor reviewed the related general ledger accounts and the GaDOE – LEA Consolidated Applications to trace and vouched the funds.

Auditor verified that all the awarded funds were received and accounted for.

Auditor reviewed and verified the Annual reconciliation of the Completion Report

Results:

- The auditor's review of funding confirmed that there are adequate processes and in controls in place to ensure compliance. The auditor's test and procedures confirmed segregation of duties, required signatures and reconciliation processes. No issues were found for the review of funding. The residual risk after consideration of the adequacy and/or effectiveness of controls/risk mitigators is low and thus is within the DCSD risk tolerance.

CTAE Scope Area 2: Equipment Inventory

Documentation Reviewed:

- Munis reports were generated for the following general ledger accounts for equipment inventory:
 - 561100 Supplies – Technology Related
 - 561500 Expendable Equipment
 - 561600 Expandable Computer Equipment
- Division of Curriculum & Instruction Career Technical and Agricultural Education Standard Operating Procedures Manual: Purchasing – Product & Services)
- CTAE Inventory SOP.doc
- School System Equipment Inventory Management Record Spreadsheets

District Level Employees Interviewed:

- Ms. Stacy Stepney, Chief Academic Officer
- Ms. Doryiane Gunter, CTAE Director

CTAE Scope Area 2: Equipment Inventory

Equipment Procurement Methods:

1. Departments must obtain a quote from the vendor of their choice from the DCSD approved vendor list.
 - a. All vendors qualified quotes must be submitted to CTAE Instructional Coordinator for review and initial approval. CTAE Director provides final approval.
2. Software purchases request must be requested from the Incident IQ system – Hardware/Software
3. Computers, laptops, or printers purchase requests must be requested and approved through the DIIT managed E-store.

CTAE Scope Area 2: Equipment Inventory

Equipment Inventory Procedures:

CTAE inventory purchased at the District Level is managed by the CTAE Department Chair and the CTAE Coordinators.

CTAE works with DIIT to ensure all technology equipment (Computers, Laptops, Printers, etc.) are added to the asset list and tagged appropriately.

Each school lab maintains an inventory of the equipment and resources.

CTAE Scope Area 2: Equipment Inventory

Standard: GaDOE Grant Management Procedure Manual

“The equipment inventory may be in the form of a list or electronic spreadsheet and must contain: acquisition date; description of the equipment; identification number; identification of federal funding by grant source; acquisition cost; who holds title; all pertinent information on the ultimate transfer, replacement or disposition of the equipment; equipment location; equipment use; and current condition.”

Exhibit: Inventory Management Record

SCHOOL SYSTEM EQUIPMENT INVENTORY MANAGEMENT RECORD												
Career, Technical and Agricultural Education												
Georgia Department of Education												
Facility Code	Facility Name	Location of Equipment	Date Purchased	Description of the Equipment	Serial Number or Equipment ID Number	Source of Equipment (Vendor)	Cost of Equipment	Fund Source	Percent Federal Funds	Condition of Equipment	Disposal Date	Disposal Sale Price

CTAE Scope Area 2: Equipment Inventory

Controls Identified:

- The Schools System Equipment Inventory Management Record Spreadsheets are completed once the school year starts and at the end of the school year.
- Each coordinator is responsible for maintaining the inventory reports for each school and each program.

Testing:

- Interviews to obtain information regarding CTAE inventory management.
- Auditors reviewed general ledger account reports, invoices, purchase orders, software purchase approval emails, emails for E-store approval, and quotes signed off by CTAE Director
- Auditors vouched and reconciled the School System Equipment Inventory Management Record Spreadsheets to general ledger account reports

CTAE Scope Area 2: Equipment Inventory

Result:

Control Failure 2A: Insufficient, incomplete, and inaccurate School System Equipment Inventory Management Record Spreadsheets. [CTAE Department]-High Risk

- **2A-1. Missing Serial Number or Equipment ID Numbers or Name of Vendor; Missing Data.** The auditor identified that Freedom Middle School, Columbia High School, Dunwoody High School, Redan High School, Tucker High School has some inventory items with N/A or blank for the serial numbers, equipment id number or name of vendor. ***(Incomplete)***
- **2A-2. Missing Date Purchased; Missing Data.** The auditor identified that Champion Middle School, Peachtree Charter Middle School, and Columbia High School had some inventory items with no purchase date. ***(Insufficient & Incomplete)***
- **2A-3. Not Using Updated School System Inventory Management Record; Update.** The DeKalb School of the Arts had not completed the updated record. ***(Inaccurate)***

CTAE Scope Area 2: Equipment Inventory

Recommendations:

- According to GaDOE FY 24 Budget Guidance for Expending CTAE Grant Funds, *“An inventory of expandable equipment and expandable computer equipment should be maintained for control/audit purposes for a minimum of five years.”*
- Inventory records must be maintained that include:
 - Description of the equipment; Date purchased; Serial number or equipment ID; Vendor; Cost of equipment; Funding source; Equipment location; Condition of equipment.
 - A format identical to the GaDOE School System Inventory Management Record (shown) should be the District standard for reporting and documenting inventory.
- In addition to the inventory audits performed by the coordinators; CTAE school contact (CTAE Teacher) should also be required to perform a physical inventory audit of all equipment at the beginning and close of the school year.
 - A copy of the physical inventory audit reports should be provided to the coordinators.
 - Any discrepancies should be reported immediately to the school administrator responsible for inventory and the CTAE Director.

CTAE Scope Area 2: Equipment Inventory Improvement Opportunities:

- To strengthen internal controls regarding the safekeeping of equipment inventory we suggest developing an Equipment Disposal Form and Equipment Transfer Form.
- We also suggest a meeting with the Finance Department regarding which CTAE equipment that should be listed on DCSD Depreciation Schedule.

CTAE Scope Area 3: Expenditures

Documentation reviewed:

- GaDOE FY24 Budget Guidance for Expending CTAE Grant Funds.pdf
- FY23-QBE-FTE-Comp-Chart_Dekalb County.xlsx (FY23 CTAE Local QBE/FTE Expenditures Compared to Perkins V Improvement Grant)
- Auditor generated MUNIS reports for the following general ledger accounts:

530000 Purchased Pro/Tech Services	561600 Expandable Computer Equipment
543000 Repair & Maintenance Service	564000 Digital/Electronic Textbooks
551900 Stud Transp Purchased-Oth Srce	564100 Textbooks – Printed
553200 Communication-Web Subscrpt/LIC	564200 Books (Other Than Textbooks)
558000 Travel – Employees	573000 Purchase Equip-Not Buses/Comp
561000 Supplies	573000 Purchase Equip-Not Buses/Comp
561200 Computer Software	581000 Dues and Fees

- DCSD Board Policy DJE: Purchasing
- CTAE Handbook.pdf (Division of Curriculum & Instruction Career Technical and Agricultural Education Standard Operating Procedures Manual: Purchasing – Product & Services)
- Local School Accounting Handbook 13. Purchasing Department

District Level Employees Interviewed:

- Ms. Stacy Stepney, Chief Academic Officer
- Ms. Doryiane Gunter, CTAE Director

CTAE Scope Area 3: Expenditures

Standard: Allowable Expenditures

- **Supplies:** Include small tools or items that are not repairable. Also, printing cost, when the supplies are a major part of the expense would be recorded in supplies. All supply items that cannot be properly classified as technology supplies, computer software, textbooks, or books and periodicals. Examples: Flash Drives, SD cards, calculators, batteries, data cords, small hard drives, etc. In addition, office supplies, paper, consumable instructional supplies and etc. for the CTAE management.
- **Travel (Employees):** Expenditures for transportation, meals, hotel, and other expenses associated with staff travel.
- **Consultant Services:** Consultant Services includes Purchased Professional and Technical Services: Services that can be performed only by persons or firms with specialized skills and knowledge.
- **Substitute Fees:** Teacher fees for the activities funded in the grant application. Serves as temporary replacement on a daily basis for any CTAE certified teachers & non-instructional staff, such as a paraprofessional participating in a CTAE related activity.
- **Other Allowable Expenses:**
 - **Expendable Equipment:** Items with a per-unit cost less than \$5000, that might otherwise be classified as “equipment” rather than “supplies.”
 - Faculty honorariums
 - Materials and supplies to support curriculum development and professional development and the purchase of equipment for instruction that supports GADOE approved CTAE Pathways.

CTAE Scope Area 3: Expenditures

Standard: Procedure

- Expenditures should comply with the standard accounting procedures and guidelines established by the State Board of Education, federal legislation and CTAE Grant Budget Guidance.
- **Controls Identified:**
- FY23-QBE-FTE-Comp-Chart_Dekalb County.xlsx
 - Reconciles CTAE Local QBE/FTE Expenditures Compared to Perkins V Improvement Grant
- Independent Contractor Agreement (ICA Form)

CTAE Scope Area 3: Expenditures

Testing:

- Traced expenditures from the Perkins Grant/Local QBE Expenditures documentation for FY23 to the Munis Reports for the Object and Project Codes.
- Reviewed Requests for Authority to Travel on Official District Business (Professional Travel)” form for CTAE travel.
 - The form requires 4 signatures.
- Reviewed purchase orders, quotes, signature routing forms and Independent Contractor Agreements (ICA)

Results:

The auditors review of expenditures confirmed that there are adequate processes and in controls in place to ensure compliance. The auditor’s test and procedures confirmed segregation of duties, required signatures and reconciliation processes. No issues were found for the review of expenditures. The residual risk after consideration of the adequacy and/or effectiveness of controls/risk mitigators is low and thus is within the DCSD risk tolerance.

CTAE Scope Area 4: Extended Day Grant

Career and Technical Education Extended Day Grants - grants to local school systems for the purpose of delivering work-based learning services/experiences and leadership development activities beyond the regular school day for students in career and technical education programs.

Extended Day and Extended Year grants compensate teachers for time spent on the program activities after school and during the summer.

CTAE Scope Area 4: Extended Day Grant

Requirements:

- Local school systems implementing extended-day programs with state funds must:
- Pay high school teachers in state-approved program areas (grades 9-12) for extended-day work performed beyond the regular school day.
- Provide planning periods during the regular school day for teachers delivering extended-day instructional and leadership development activities.
- Schedule teachers to teach no more than one segment out of field.
- Participate in the extended-day accountability reporting process.
- Submit program details and annual reports to the department.
- Extended-day grant funds should support work-based learning, instructional services, and leadership development in agriculture education and career and technical education programs.

CTAE Scope Area 4: Extended Day Grant

Documentation Reviewed:

- Auditor generated MUNIS reports for the following general ledger accounts:
- 519910 Extra Activity Salaries 65121 CTAE – CTE Extended Day 67421 CTAE – Extended Year
 74021 CTAE-AG-Extended Day 74121 CTAE-AG-Extended Year
- Georgia Department of Education Career Technical and Agricultural Education Extended Day Guidelines
- CTAE Handbook Draft.pdf (Division of Curriculum & Instruction Career Technical and Agricultural Education Standard Operating Procedures Manual: The Program of Work Process (Extended Day Grant))
- Consolidated Application (Example: FY23 Extended Day Budget.pdf)
- GADOE – LEA Consolidated Application_Extended Year Grant_FY23.pdf
- Program of Work Reports:
 - 2022-2023 Program of Work – Expectations Not Met.pdf
 - 2022-2023 Program of Work – Ezra Thompson.pdf
- Monthly Reports:
 - Extended Year Monthly Report Gayden.pdf
 - POW Monthly Report_Expectations Not Met.pdf)

District Level Employees Interviewed:

- Ms. Stacy Stepney, Chief Academic Officer
- Ms. Doryiane Gunter, CTAE Director

CTAE Scope Area 4: Extended Day Grant

- **DCSD Extended Day Process:**
- DCSD CTAE Department has a written standard operating procedure for the Program of Work Process (Extended Day Grant).
- Each teacher who receives Extended Day funding must complete a Program of Work (POW).
- Teachers who receive Extended Year funding are required to complete a Prior Year Activities Report, as well as a budget request form for the upcoming year.
- The CTAE Director and the CTAE Instructional Coordinators review the Program of Works (POW), monthly reports, and annual report.
- Reports are reviewed to ensure that the participating teacher is meeting or have not met their plans.
 - The reports are maintained in a statewide resource database (CTAERN and CNET) at <https://www.ctaern.org>.

CTAE Scope Area 4: Extended Day Grant

Standard:

- Georgia Department of Education Career Technical and Agricultural Education Extended Day Guidelines

“The minimum hourly rate is calculated as one hour per day based on an eight hour workday. Teachers who work one hour beyond the school day for a 190-day school year receive “full extended day” pay. For simplicity the hours to be worked have been standardized into 20 hours per month for full extended day.”

Testing:

- Review of provided reports included:
 - Activity date
 - POW category and description
 - Number of hours spent
 - Number of people involved in the activity.

CTAE Scope Area 4: Extended Day Grant

Results:

The auditor review of expenditures confirmed that there are adequate processes and in controls in place to ensure compliance. The auditor's test and procedures confirmed segregation of duties, required signatures and reconciliation processes. No exceptions were found concerning extended day/extended year. The residual risk after consideration of the adequacy and/or effectiveness of controls/risk mitigators is low and thus is within the DCSD risk tolerance.

Improvement Suggestions:

The interview with Ms. Stepney and Ms. Gunter revealed concerns regarding teacher's and the amount of extended day pay received. Currently there are procedures in place regarding the calculation of extended day pay. However, there are still concerns from the teachers regarding the yearly extended day amount they receive. It is suggested that the CTAE Department develop written guidance concerning the calculation of the extended day pay.

CTAE Scope Area 5: School Based Enterprises

Documentation Reviewed:

- **GA DOE Career Technical Instruction Coordinator Handbook**
- **Electronic Pymt Request.pdf**

District and School Level Employees Interviewed:

- **Ms. Marilyn Hollis, Coordinator**
- **Ms. Doryiane Gunter, CTAE Director**
- **Ms. Adrienne Francois, Marketing Education Teacher at Stephenson High School**

CTAE Scope Area 5: School Based Enterprises

District Point Of Sales Stores

- Redan HS - Marketing SBE - Cache'
- Dunwoody HS - Marketing SBE - The Cat Shack
- Lithonia HS - Marketing SBE - The Dog Shack
- Miller Grove HS - Marketing SBE - The Wolverine Warehouse
- Stephenson HS - Marketing SBE - The Jag Express (*Operating since 2005*)
- Cedar Grove HS - Marketing SBE Kiosks - New!
- Southwest Dekalb HS - Double Kiosk - New!

- *Coming Soon! - The AIC Café Double Kiosk*

CTAE Scope Area 5: School Based Enterprises

- **School Based Enterprise (SBE) Set-up Process:**

- Coordinators are responsible for the set-up, providing support and guidance and ensuring the school store is in align with the CTAE program requirements.
- Fixtures and materials used to setup the SBEs are purchased using general funds.
- Each store has a certified marketing teacher that supervises the management of the store and teaches the students the marketing concepts to help run the stores.
- Students conduct surveys to inquiry what their fellow students would like to purchase from the store.
 - Students review data collected and the market research to assist in determining what items to sale.
 - Students perform a cost/profit breakdown and develop the product listing.

CTAE Scope Area 5: School Based Enterprises

- **SBE Revenue Process:**

- POS Systems:
 - School Store POS
 - POS Unlimited
- Both systems provide the same functions, capabilities, and services
- World Pay processes the debit/credit card sales from the POS system and then deducts their fee from the sales and makes a payment to the school
 - These POS systems are compatible with MUNIS.
- Transactions from the POS systems are uploaded to the local school account for each school store and connected to the local schools' bank account.
- Bookkeepers for each school reconcile the sales and record the money to the school store account in MUNIS.

CTAE Scope Area 5: School Based Enterprises

- **SBE Inventory :**

- Stores provide products and services to students, staff, and the community.
- Items sold in the stores include: spirit wear, school supplies, snacks, helium balloons, hot drinks like coffee and frozen drinks.
- Columbia High School is in the process of setting up a store that will offer fashion merchandise to support their fashion merchandising pathway.
- School Stores determine inventory levels based on what was sold and purchased in prior years.

CTAE Scope Area 5: School Based Enterprises

Results:

No exceptions were found for the review School Based Enterprises. The residual risk after consideration of the adequacy and/or effectiveness of controls/risk mitigators is low and thus is within the DCSD risk tolerance.

Improvement Opportunities:

- Create opening and closing spreadsheet or form for balancing the register and recording daily sales total.
- Create a spreadsheet or form to help maintain and keep track of the inventory for all stores.
- Finance Department is currently looking into a different POS System (My School Bucks) that it will also be compatible with Munis but will offer cashless sales, online sales, and electronic payments.

DeKalb High School of Technology-South

DeKalb High School of Technology is a District Specialty school that provides specialized CTAE Courses and programs. DHTS is a stand-alone, meaning it shares students with other schools and serves as the base/center where these students migrate to take CTAE Courses not offered at their local school. There are currently thirteen high schools where students select and attend elective classes at DHTS.

Specialized programs offered by the school include barbering, cosmetology, healthcare science, manufactured engineering program, welding program, automobile service, law and justice, audio-video-and technology.

DeKalb High School of Technology-South

School Level Employees Interviewed:

- Dr. Vicki Williams - Principal
- Tasha Riggins - Bookkeeper
- Blair Northern - CTAE Instructor, Automotive
- Candice Rayner - CTAE Instructor, Cosmetology
- Jerome Heath - CTAE Instructor, Barbering

DeKalb High School of Technology-South

Scope Area: School Purchasing Process / Inventory

Process:

- CTAE Instructor must conduct research in order to determine and locate the best price and value for the items they intend to purchase.
- Check associated budgets.
- Determine the best method for procurement of the items.
- Select the vendor.
- All vendors must have an assigned vendor number and be an active vendor in the DCSD purchasing system.
- Contact the vendor and send a list of selected items.
- Vendor sends back a quote regarding the prices of listed items.
- The quote, along with a list of the needed items, is sent with a request form to the principal for approval.
- Once approved, the bookkeeper begins the purchase order approval process through Munis.
- Items are ordered and shipped to the school.
- Once the items are delivered, the packing slip is turned over to the bookkeeper who compares the list of delivered items to the list located in the system, in order to review any discrepancies.
- CTAE Instructors update their inventory list based on the items received.

DeKalb High School of Technology-South

Scope Area: Student Activity Funds

Purposes:

- Registration for CTAE Course Competitions
- Hotel Expenses
- Travel Expenses
- Club/Course Attire
- School Supplies
- Food for specific events
- Awards

Practices:

- CTAE instructors create their class budgets for the fiscal year and turn in their prospective budgets to the principal and bookkeeper.
 - Perkins and district Funds are not included in the sponsor's budget.
- Funds collected and dispersed according the Cash Management procedures in the Local School Accounting Handbook

DeKalb High School of Technology-South

Scope Area: Record Keeping Process

Practices:

- Data & documentation regarding purchases made for CTAE Courses are stored in binders for each fiscal year
- Organizing and storing purchase order documentation in binders is an individual practice the School Bookkeeper has implemented. It is a process she brought over from her time working at Atlanta Technical College

Observation:

DCSD has established a *protocol* for the storage of records: Financial documents must be retained and maintained by schools for a minimum of five years before they can be disposed of, however the CTAE Department does not have any standard operating procedures (SOPs) or protocols that dictate the storage process of CTAE documents or the duration of their retention. Development of a standard storage process is recommended.

DeKalb High School of Technology-South

Results:

The controls that are currently in place are sufficient to mitigate the risk of misuse of funds utilized to operate the CTAE Courses.

- Principal's supervision of the budget's development and organization serves as an initial defense mechanism.
- Risks are further diminished by mandatory levels of review that are associated with a PO Request
 - Requires either a review or approval by the principal and a CTAE Coordinator.
- Bookkeeper maintaining detailed records of the purchase orders in well-organized binders and comparing the items listed on the packaging slip to the items listed in the system, reinforce these processes.

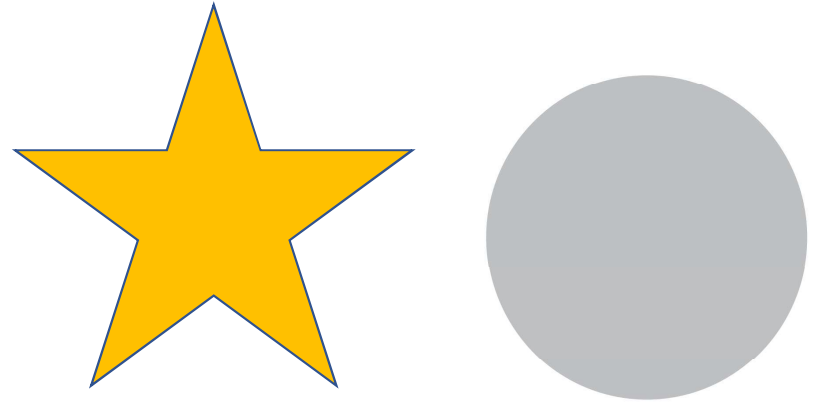


THANK YOU!

**CTAE Director Ms. Doryiane Gunter,
Program Coordinators, and Staff**

**DHST-S Principal Dr. Vikki Williams,
Instructors, Bookkeeper, and Staff**

**Division of Curriculum & Instruction,
Ms. Stacy Stepney, Chief Academic Officer
Division of School Leadership,
Champion Michelle Dillard, Chief of Schools**



Follow-Up Questions or Concerns?

Audit Committee Requests for Additional Information

Office of Internal Audits & Compliance

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