



DeKalb County Board of Education Audit Committee Meeting May 27, 2025

Fleet Audit Report

Athletics Audit Update

PRESENTATION AGENDA

1. Athletics Audit Update
2. Fleet Audit Report Presentation
3. Internal Audit Updates



DeKalb County Board of Education Audit Committee Meeting May 27, 2025

Update on Athletics Audit

Presented by: Joel Thibodeaux, CIA – Director of Audits & Compliance
Principal Auditor: Tisha Smoots, Internal Auditor II

Audit Purpose

The Department of Athletics has undergone substantial changes over the past fiscal and school year. The programs offered have expanded into elementary schools and have increased in middle and high schools. The DCSD Athletics program also operates from an Enterprise fund, financed by ticket sales and sponsorships, which has operated at a loss for several years. The purpose of this engagement is to survey and assess current and transitional processes and to recommend and advise on budgeting, cost alignment, and business operations with the goal of bringing the fund to solvency.

Audit Scope

- **Scope Area I: Forecasting and Budgeting for Revenue and Expenditures**
- **Scope Area II: Process for Revenue (inclusion of Elementary sports and concessions)**
- **Audit Scope Area III: Process for Categorizing and Booking Expenditures (including support Payroll for Athletics Events)**

Athletics Staff Engaged

Engaged the following personnel in the Athletics Department:

- **Ms. Myss Johnson-Jelks; Executive Director of Athletics**
- **Ms. Valerie Gilbert; Bookkeeper 12 Month – Athletics**
- **Mr. Brandan Lane; Director, Athletics**
- **Ms. Janet Scott; Executive Administrative Assistant**
- **Mr. Lorenzo “Keith” Sewell; Specialist II Athletics**
- **Ms. Alethea Webb; Administrative**

Scope Area I Update

- **Scope Area I: Forecasting and Budgeting for Revenue and Expenditures**

In prior years, forecasting and budgeting has been based on expected program needs, not expected program revenue – which has left the fund operationally insolvent, requiring transfers from the general fund for allowed expenditures.

Following initial observations, the following needs are apparent:

- Make sure that general fund and enterprise fund expenditures are aligned correctly.
- Ensure that revenues are properly forecast

Scope Area II Update

- **Scope Area II: Process for Revenue (inclusion of Elementary sports and concessions)**

Ticket sales for all revenue generating sports are conducted online (GoFan=cashless). However, processes for recognizing, reconciling, and reporting event revenue are assigned to one employee. Separate employee is responsible for booking revenue into Munis. Accounting reconciles the revenue account.

Following initial observations, the following needs are apparent:

- Department needs updated Standard Operating Procedures (currently under development).
- Establish separation of duties and upgrade training regimen.
- Determine classification/assignment of concession revenue

Scope Area III Update

- **Audit Scope Area III: Process for Categorizing and Booking Expenditures (including support Payroll for Athletics Events)**

Still in assessment and review. In order for the Enterprise account to operate in solvency, non-athletic expenditures must be removed from the Enterprise fund budget to the general budget. These expenditures are being reviewed with the Executive Director with anticipated involvement of the Division of Finance.

Project Completion Timeline

- **June 30, 2025: Draft Report**
- **July 1-18, 2025: Present & Review with Athletics Management; Management Responses**
- **August 1, 2025: Final Report with Management Responses**



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Update of Fleet Operations Audit

Presented by: Joel Thibodeaux, CIA – Director of Audits & Compliance
Principal Auditor: Danielle Valentine, Senior Compliance Auditor

Fleet Operations Management

Fleet Operation Manager:
Transportation/Fleet Exec. Director:

Dr. Chardra Carter
Mr. Raymond Stanley*

Deputy Chief Operation Officer:
Chief Operation Officer:

Mr. Antywn Brown
Mr. Erick Hofstetter

**joined after the 2021-2023 Audit Period*

Capital Assets Management

Capital Assets Manager:
Comptroller:

Ms. Veitya Holt
Mr. Lance McConkey

Chief Financial Officer:

Mr. Byron Schueneman

Audit Purpose & Scope

The purpose of this audit is to verify the policies and procedures governing Fleet Management; identify and assess internal controls within the scope areas; to recommend risk mitigation and process improvement measures

- **Audit Scope Area I: Vehicle Inventory**
- **Audit Scope Area II: Vehicle Acquisition**
- **Audit Scope Area III: Vehicle Disposal (Sell/Salvage)**

Audit Scope I: Vehicle Inventory

- Objective 1: Examine internal controls related to the reliability of records and reports regarding DCSD vehicle inventory.
- Objective 2: Determine that systems and procedures are in place to ensure that vehicle identification data captured is authentic, accurate and inclusive across DCSD software platforms.

Audit Scope I: Vehicle Inventory Findings & Management Responses

Control Failure IA: Insufficient, incomplete, and inaccurate vehicle information found within management systems records. [Fleet Services Division]-High Risk

Summary & Recommendations

Fleet Services inventory records failed several data integrity tests pertaining to missing and the accuracy of pertinent vehicle identification details. The active fleet asset inventory records in RTA and MUNIS are materially inconsistent. The auditor deemed the vehicle inventory records unreliable.

To ensure that systems and practices are in place to manage and monitor vehicle identification records

- Regular monitoring and reporting of financial and operational information between Fleet Services & Finance Department - 'Capital Asset Management Team should be implemented to support decision-making and to ensure optimal management of the DCSD vehicle fleets.
- Management should consider including the assigned department location for all vehicle assets as a critical part of data collection/reporting as a safeguarding tool for all vehicles.

Management Response 04/23/2024

Corrective actions to address control failures: '1A thru 1A-3' include the implementation of mandatory procedural training , monthly data oversight meetings, enforcement of dual controls where appropriate, physical inventory review, and vehicle assignment and data capture per Fleet's system of records – ***beginning March 2025.***

Audit Scope I: Vehicle Inventory

Findings & Management Responses

Control Failure 1B: Unfinished/un-official Vehicle Audit Inventory Report per Fiscal Year-2021. [Finance-Capital Asset Management]-High Risk

Summary & Recommendations

Auditors found both lapses in continuous monitoring, and the complete lack of written proper controls related to the tracking of capital assets in the “vehicle class”.

- Regular monitoring and reporting of financial and operational information between Fleet Services & Finance Department - ‘Capital Asset Management Team should be implemented to support decision-making and to ensure optimal management of the DCSD vehicle fleets.
- Management should consider including the assigned department location for all vehicle assets as a critical part of data collection/reporting as a safeguarding tool for all vehicles.

Management Response 04/23/2024

Corrective actions to address control failures -1B-1 thru 1B-4 include the implementation of dual verification related to purchase entries, management review and approvals, historical records reconciliations, systems access restrictions, procedures for system integration to include Munis, improve Internal Reporting such as quarterly reports that flag anomalies and errors – ***April thru June 2025.***

Audit Scope II: Vehicle Acquisition

- Objective 1: Examine internal controls related to the procurement of DCSD Support Vehicles and School Buses.
- Objective 2 : Assess risks associated with vehicle-acquisition process; & outline potential opportunities to mitigate associated risks.

Control failures discovered during the audit related to vehicle purchases resided in multiple departments due to independent actions undertaken outside of Fleet Services.

In alignment with the determination that all vehicle purchases must be executed by Fleet Services, on September 6, 2024, Transportation/Fleet Services management agreed to carry out the responsibility of the Management Response on behalf of the Operations Division and all vehicle purchasing departments for Scope Area II: Vehicle Acquisition of the audit.

Audit Scope II: Vehicle Acquisition

Findings & Management Responses

Control Failure II-A: Vehicle Purchases recorded to incorrect general ledger account. [Operations Department/Plant Services]-High Risk

Control Failure II-B: Lack of written standard operating procedures. [Transportation Department]-High Risk

Control Failure II-C: Lack of written standard operating procedures. [Department of Public Safety]-High Risk

Control Failure II-D: After-the-Fact Purchases [Fleet Services]-Medium Risk

Improvement Opportunities

Internal Controls over processes and procedures must be strengthened by making sure that qualified personnel are staffed and equipped to meet defined departmental objectives. Effective policies and procedures governing vehicles' acquisition must be established or updated to improve adherence and compliance. Collaboration and data sharing in cases where key functions overlap/cross departments is another critical step. It is important that Fleet Services Division and Finance – Capital Assets Team establish/improve communications as needed.

Final Management Response – 2A, 2B, 2C, 2D: 4/29/2025

Fleet Services has now submitted a final draft of a Standard Operations Procedures manual, which is under review. Implementation of provisions in the handbook is currently underway. Further corrective actions to address control failures: '2A thru 2D' include the implementation of data sharing and collaboration with the Capital Assets Team for the purpose of transparency, early detection, real-time validation of purchase transactions records and the proper assignment of GL charge codes. The general practice using of 'after-the-fact' forms for all capital purchases has been eliminated. GL code compliance, and multi-step approval processes will be strictly enforced.

Audit Scope III: Vehicle Disposal

Objective: To Determine the adherence to Vehicle Disposal Policy & Guidelines [FY 2021 – FY 2023] & Assess existing Internal Controls

Audit Scope III: Vehicle Disposal Findings

Control Failure 3A: Inaccurate/Incomplete/Inconsistent Vehicle Disposal Records [Finance-Capital Assets]- Medium Risk

- **3A-1:** To-Date Tyler Munis General Ledger records show Revenue account (Sale/Comp-Fixed Asset) ending balance for Fiscal Year 2021 as \$13,780, but Fleet Sales shows as \$9,175. For Fiscal Year 2022 the respective totals were \$126,908 and \$86,178. These discrepancies were not solely caused by transactional errors but also by booking entries that were unable to be substantiated due to missing data sources.
- **3A-2:** In addition, GL transaction dates vary from the actual Salvage receipts recorded by Fleet as it pertains the third-party seller, GOVDEALS, Inc. GL transactions were not recorded in a timely fashion, causing inaccuracies. Controls over this process are insufficient.

Control Failure 3B: Lack of Management Oversight to include Key Transactional Level Controls (i.e. End-of-period reviews, reconciliations, source documents, et al) - [Finance-Capital Assets & Fleet Operation, et al]- Medium Risk

- **3B-1:** As a result of the workflow process being rendered haphazard, and balance in-accuracies allowed to go unchecked, Management Oversight Controls have been deemed inefficient.
- **3B-2:** The current Disposal Process Flow is not properly designed to foster departmental collaboration and data corroboration at the transactional level, i.e., access to supporting documentation, data application, reconciliations, et al.

Audit Scope III: Vehicle Disposal Recommendations & Management Responses

Improvement Opportunities

Vehicle Disposal Policy & Guidelines be revamped to include clear process steps for each process owners as well as the mandatory requirement for data to be shared across department and division lines. Management may also want to consider updating the current Disposal Policy to reinforce stronger Controls while outlining roles and responsibilities of all involved.

Management Response 04/23/2024

Corrective actions to address control failures: '3A-1 thru 3A-2' include the implementation of a new and improved Vehicle Disposal Policy (detailing the process for the proper disposal of DCSD vehicles via Gov.Deals.com & Salvage Yards. End-of-period reconciliations and oversight controls will remedy the untimely postings of vehicle sales and revenue recognition per Munis records. Vehicle disposal documentation packages will be reviewed for adherence, accuracy and completeness.

Corrective actions to address control failures: '3B-1 thru 3B-2' include the introduction/ training/ and utilization of the newly improved guidance materials (ref. SOP document provided) to ensure that compliance is both achievable and successful. Additional measures such as GL posting confirmations, verification checklists, et al would provide accountability as well as meet the standards for document sufficiency necessary for an audit.

Follow-Up Questions or Concerns?

Audit Committee Requests for Additional Information

Office of Internal Audits & Compliance

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