



Corrective Action Plan Follow-up Review: Bond Funded Expenditures Audit

ASSURANCE • INSIGHT • OBJECTIVITY

Final Follow-up Report **Audit Plan Code: 21-10.01**

Management implemented a corrective action plan (CAP) with two (2) activities to address the findings and recommendations in the original audit report. As such, this report represents the close-out of the CAP.



Contents

ASSURANCE • INSIGHT • OBJECTIVITY

Follow-Up Review

Background	1
Objective and Scope	1
Methodology	1
Inherent Limitations	1
Summary of Results	2
Original Recommendations and Status of CAP Activities	2
Exhibit A – Summary of Original Audit Results	3

Abbreviations

CAP	Corrective Action Plan
CFC	Coordinator of Facilities and Construction
CJCAM	Compliance and Job Cost Accounting Manager
EPISD	El Paso Independent School District
FCD	Facilities and Construction Department
IIA	Institute of Internal Auditors



Follow-up Review

ASSURANCE • INSIGHT • OBJECTIVITY

Background

The Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing, Performance Standard 2500 - Monitoring Progress, require we "...establish and maintain a system to monitor the disposition of results communicated to management." Internal Audit has established the Corrective Action Plan (CAP) process to meet this requirement. The process includes monitoring and reporting whether management has implemented corrective actions to address audit findings, observations, and recommendations.

Internal Audit issued the Bond Funded Expenditures Audit Report to District management and administration on November 19, 2020. We performed the audit as part of the Board approved 2020-2021 Internal Audit Plan. The objective of the audit was to determine whether non-construction bond-funded expenditures were properly supported and related to the 2016 Bond in accordance with the Voter Compact. The scope of the audit covered the period from August 1, 2018 to June 30, 2020. In summary, our audit found that most of the non-construction bond-funded expenditures tested were properly supported and related to the 2016 Bond in accordance with the Voter Compact. We found no evidence of bond funds used for teacher or administrative salaries or other school operating expenses, other than EPISD employees whose responsibilities include 2016 bond-related activities. However, we identified instances of non-compliance with the records retention procedures and the District's process for the destruction of records.

The original audit report included three (3) findings and two (2) recommendations. For reference, a summary of original audit report findings is provided on **Exhibit A**. District management and administration agreed with our recommendations and developed a corrective action plan (CAP) with two (2) activities.

Objective and Scope

The objective and scope of this follow-up review were to determine whether management implemented the two (2) CAP activities or took other actions to address the three (3) findings and two (2) recommendations outlined in the Bond Funded Expenditures Audit Report.

Methodology

To achieve our follow-up review objective, we:

- Held meetings and communicated with persons responsible for carrying out the CAP activities.
- Reviewed supporting documentation maintained by management as evidence of completion of the CAP activities provided to Internal Audit.

Inherent Limitations

This was a limited scope follow-up review covering only the actions taken by administration to address the original audit findings and recommendations stated in the Objective and Scope section of this report. No representations of assurance are made to other areas or periods not covered by this follow-up review.

Summary of Results

CAP Activities	Implemented	Overall CAP Status
2	2	Closed

Management implemented a corrective action plan with two (2) activities to address the three (3) findings and two (2) recommendations in the original audit report. This report represents the close-out of the corrective action plan.

Original Recommendations and Status of CAP Activities

The original recommendations, the person(s) responsible, and the status of the CAP activities are outlined below:

1

Original Recommendation: We recommend the FCD review the District's record retention and record destruction requirements with all department employees on, at least, an annual basis. This can be done either via a staff meeting or a required refresher training course. This training or refresher course can help the department be compliant with the procedures established by the District's Records Retention Office and the Texas State Library.

Management and Leadership Response: Agreed with recommendation and incorporated into the CAP as activity one (1):

Activity 1: Facilities and Construction Department staff will receive, on an annual basis, training on EPISD record retention and record destruction requirements.

Person Responsible: Executive Director of Facilities and Construction

Status: Implemented

2

Original Recommendation: We recommend the FCD modify their current Bond Funds Activities Certification procedures to (i) include a step to notify the CJCAM of any changes in the bond-funded salaried positions through-out the year and (ii) develop a process to cross train a backup employee in case the CJCAM is not available to perform his/her duties. This can enable the CJCAM or designated backup to follow up with employees and ensure Bond Funds Activities Certifications are signed annually.

Management and Leadership Response Agreed with recommendation and incorporated into the CAP as activity two (2).

Activity 2: Modify the current Bond Fund Activities Certification procedures to require notification of the CJCAM of any changes in the bond-funded salaried positions throughout the year. Develop a process to cross-train a backup employee in case the CJCAM is not available to perform their duties.

Persons Responsible: Compliance and Job Cost Accounting Manager

Status: Implemented

Exhibit A – Summary of Original Audit Results

Findings	Summary of Findings
1	One (1) of 10 overtime requests forms in our sample was not available to review. As such, we could not verify that the overtime charged for this overtime form was directly related to bond projects. According to the Coordinator of Facilities and Construction (CFC) the document was shredded. The document was shredded prior to meeting the records retention requirement period of two years. Also, when disposing of this document, EPISD's Records Management Office procedures were not followed.
2	While requesting documentation for this audit, the CFC indicated that s/he had shredded documents, to include overtime request forms and jury duty notice forms, dated October 13, 2018, and older, without following EPISD's Record Management procedures. The CFC indicated that s/he was not aware of the records retention requirements and that the documents were destroyed in preparation for the relocation of the Central Office.
3	One employee did not sign and submit a Bond Fund Activities Certification when s/he filled a bond-funded position in the middle of the year. Per the EPISD Job Cost Accounting Manual, all employees working on bond projects must sign a Bond Fund Activities Certification.



EL PASO INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

Bob Geske, Board President

Al Velarde, Vice President

Diane Dye, Secretary

Josh Acevedo

Daniel Call

Freddy Khlayel

Chuck Taylor



The El Paso Independent School District does not discriminate in its educational programs or employment practices on the basis of race, color, age, sex, religion, national origin, marital status, citizenship, military status, disability, genetic information, gender stereotyping and perceived sexuality, or on any other basis prohibited by law. Inquiries concerning the application of Titles VI, VII, IX, and Section 504 may be referred to the District compliance officer, Patricia Cortez, at 230-2033; Section 504 inquiries regarding students may be referred to Kelly Ball at 230-2856.