

Finance & Audit Committee

Second Quarter - Fiscal Year 2019

October 24, 2018



Audit Update

Completed Audits - Vendor Screening

Objective: To provide recommendations on strengthening the vendor screening process over the Integrated Facility Management Project (IFMP).

Overall Observation: A robust and formal vendor due diligence process is needed to provide management assurance that potential IFMP vendors are adequately vetted prior to contract award, as well as a vendor management policy that establishes vendor monitoring requirements post contract award.

Key Recommendations:

Actions:

- Creation of a vendor management policy that clearly establishes roles and responsibilities for vendor management and monitoring pre and post contract award for Procurement, Law Department, and User groups
- Training of current staff to ensure proper due diligence protocols are consistently performed
- Creation of a vendor due diligence checklist to ensure completeness and uniformity in vendor screening process

Current Management Efforts

- Creation of a Contracting Risk Matrix to identify priority areas to focus due diligence procedures
- Creation of due diligence checklist for use pre contract award
- Implementation of a Procurement Training Schedule



School Audits Update

Below are the FY19, Q1 school audits:

Audit Type	Audits	Satisfactory	Needs Improvement	Unsatisfactory
Principal Transition Review	14	0	7	7
Limited Scope	1	0	0	1
FY18 Full Scope	12	5	7	0
Totals	27	5	14	8

Common School Audit Findings

Audit Finding	Risk
Check Requisition Not Approved Prior to Purchase	Unauthorized or Unallowable Purchases
Unsupported Cash Disbursements	Misappropriation of Funds; Poor Records Management
Check Requisition Not Approved by the Principal and/or LSC	Unauthorized or Unallowable Purchases
Unsupported Cash Receipts and Fundraisers	Misappropriation of Funds; Poor Records Management
Untimely Submission of Cash Receipts	Funds Are Lost/Stolen
Gifts, Grants, Donations Not Reported to the Board	Inappropriate Use of Grant Funds
Inaccurate Fixed Asset Tracking	Misappropriation of Assets; Poor Records Management

Principal Transition Reviews:

New Principals may request a review of their school's financial records to obtain recommendations for improvement going forward.

Principal Transition Review

Scope Areas:

- Cash Receipts
- Cash Disbursements
- Procurement
- Fixed Assets
- Internal Accounting



CPS Risk Assessment Status & Timeline

Current Status:

- Conducted 31 departmental interviews, with over 50 individuals involved in the process

Next Steps:

- Conduct feedback and validation
- Provide results and recommendations to Management
- Report results to Finance & Audit Committee

Interviews

Departments Interviewed

Access & Enrollment	Finance	Public Policy
Administration	Information & Technology Services	Safety & Security
Board of Education	Innovation & Incubation	School Support Center
Business Optimization	Language & Cultural Education	School Strategy & Planning
College & Career Success	Law	School Quality Measurement
Communications	Network Support	Sports Administration
Diverse Learner Supports & Services	Nutrition Support Services	Student Health & Wellness
Early Childhood Education Services	Payroll Services	Student Transportation Services
Facilities Operations & Maintenance	Principals	Talent
Family & Community Engagement	Procurement & Contracts	Teaching & Learning



