

BEEVILLE ISD
SUMMARY OF FINDINGS & POTENTIAL COST SAVINGS OR RISKS

Area of Review	Finding #	Finding	Federal or state law	Board Policy	Fraud Risk	Financial Risk	Best Practice	Potential Cost Savings or Risks
Overall Finance								
	1	The district is not in compliance with selected federal and state laws and School Board Policy	X	X	X	X	X	Possible loss of invested funds, tax liability and FLSA audit.
	2	The business department has developed a written Business Procedures Manual but has failed to ensure that the procedures are up-to-date and consistent with business practices.			X	X	X	
	3	The business department is not maximizing the automation of business activities.				X	X	Potential savings after start-up cost if ISD moves to more suitable system.
	4	There is an overall lack of internal controls and segregation of duties in the business department.			X	X		
	5	There is an overall lack of internal controls and segregation of duties in the business department.			X	X		
	6	Business functions such approving purchase orders on a weekly basis and issuing accounts payable checks on a bi-weekly basis do not provide timely and efficient customer service to the district stakeholders.				X	X	
	7	The business department appears on first inspection to be understaffed due to the district size and similarly-sized peer districts.				X		
	8	The executive director of finance is relatively new to the role.				X		
Budget		The district is not in compliance with selected federal and state laws and School Board Policy.						
	1	The district has not developed written budgeting procedures, nor used a collaborative approach to develop the annual operating budget.					X	
	2	The district does not have a staffing guidelines. Staffing guidelines are essential to maintain budgetary controls over salary and benefit costs.				X		Potential savings due to overstaffing

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	3	The executive director of finance is relative new to the role and consequently has not been involved in the budget adoption process.				X		
	4	According to staff interviews, federal grant funds have not been available on a timely basis to ensure continued services.	X			X		General funds may be preserved if federal grant funds are used on a timely basis.
Finance, Accounting, Auditing								
	1	Due to the bi-weekly check issuance schedule, the accounts payable clerk is often generating last-minute requests for checks, which may result in a reduced ability to closely review and approve the check disbursements.			X	X	X	Eliminate potential emergency check issuance errors
	2	The district's threshold for tracking inventory, or non-capital assets, is so low that it may be impractical to track the items.			X	X	X	
	3	The district is not in compliance with Internal Revenue Service (IRS) regulations as it relates to advances for business-related travel.	X		X	X		Potential tax liability
Cash Management								
	1	The district's cash management practices are exposing the district to potential financial and fraud risks.	X	X	X	X	X	\$16 million fund balance at risk
HR & Payroll Management								
	1	The human resources department webpage does not contain a copy of the district's compensation plan, nor is the plan made available to district and non-staff.	X	X		X		Grievances due to compensation issues could be costly
	2	The district does not have written hiring procedures.	X	X		X		Hiring discrimination claims can be costly

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	3	The human resources department should ensure that every position has an up-to-date and compliant job description.	X	X			X	
	4	The human resources department does not appear to play a major role in several employment compliance laws such as the Fair Labor Standards Act (FLSA).	X	X		X		Potential liability due to FLSA audit
	5	The payroll expenditure account codes for district personnel appear to not be in compliance with the Financial Accountability Resource System Guide (FASRG), the state-mandated account codes.	X			X		Potential financial loss due to non-compliance with special program staff expenditures and PEIMS errors
	6	The district does not have adequate internal controls and segregation of duties in submitting the monthly Teacher Retirement System (TRS) reports through the TRS Reporting and Query System (TRAQS).			X	X		
	7	The district does not have a payroll processing checklist or written payroll processing procedures.			X	X		
Purchasing								
	1	Consistently, campus and department administrators indicated that the PO processing timeline does not meet their respective needs.					X	Staff morale issue
	2	The business division does not have an up-to-date, EDGAR-compliant purchasing manual or written purchasing guidelines.	X	X	X	X		Potential loss of federal grant funds
	3	The district has contracted for services to be performed on district property without requiring a certificate of insurance, felony conviction notice, or criminal history background check (if continuing duties or working with students)—all of which are requirements of state law.	X	X	X	X		Potential for losses due to uninsured vendors
	4	The business division has not established internal controls related to the creation and maintenance of vendors in the Munis Finance system.			X	X		
	5	The district has not implemented contract management procedures or established consistency in requiring a written contract for contracted services.	X	X	X	X		EDGAR contains specific contract provisions

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PEIMS & Attendance Accounting								
	1	The recent conversion to the new HR and finance system, Munis, presented challenges for the PEIMS Coordinator to extract and prepare the staff, budget and actual finance data for submission through the Texas Student Data System (TSDS).	X			X		Potential for TEA sanctions due to erroneous PEIMS data
	2	A review of the 2016-2017 PEIMS Staff FTE Summary report revealed that the district may have data quality errors in reporting staff FTEs by special population programs.	X			X		Potential for TEA sanctions due to erroneous PEIMS data
	3	The district has a comprehensive Student Attendance Procedures Manual but it appears that it has not been updated since the 2014-2015 school year.	X			X		Potential for loss of state funds if non-compliance is noted by TEA
Food Service								
	1	The FS on-site units have complex federal regulations and food safety procedures which are not available for daily reference.	X				X	
	2	The cafeterias are staffed the same as before the director began even with decreased student enrollment, menus have changed, and food delivering and ordering is automated.				X	X	Potential savings if excess staff is reduced
	3	The FS specialists are used to a relaxed work schedule and do not change their pace when absenteeism of staff creates more work.				X		Potential savings if staff maximizes work time
	4	The FS director did not have input in the development of the Food Service 2016 – 2017 Budget.				X		
	5	The FS director has developed an employee handbook but does not have many other tools used for internal control.			X	X		
	6	The district administration is not aware of the quality and achievements the food service program has earned. The FS director is not included in principal meeting.					X	

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	7	The manager has the authority to direct the staff in their job duties but without support to use progressive discipline to improve performance, some staff refuse to follow manager's directives.				X		Lost staff productivity due to non-compliance with directives
	8	The managers are not comfortable handling staff issues. Assertive staff were observed controlling the atmosphere in the kitchen.				X		Lost staff productivity due to non-compliance with directives
	9	Each kitchen has been built and equipped in a different decade. The meal pattern, equipment, and space needed has changed dramatically.				X		Loss of program income due to inefficiencies
	10	System Design has modules for a FS department to develop meals per labor hour, break even points and profit and loss.					X	
	11	Staff are waiting to clock out, taking longer breaks because they can and still get the work done, and making work when avoiding another task.				X		Potential savings if staff maximizes work time
	12	The FS director is not invited to any district meetings. The director must contact individuals in maintenance, or the DS for information.					X	
	13	The FS director is not able to meet with Principals and teachers about important information about FS program.					X	
Maintenance & Operations								
	1	Due to receiving only partial and/or incomplete documents, an analysis of custodial FTEs to square footage cannot be done.				X		Potential savings if excess units reduced
	2	BISD maintains approximately 143 acres with 5 total FTE's, the District may need to evaluate staffing				X		Potential savings if excess units reduced
	3	In review of documents provided and during interviews with the Director of Maintenance, gross square footage calculations are not available for assessment.				X		Potential savings if excess units reduced
	4	Work order response is not based on rationalized production direction and/or planning.				X		

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	5	The general takeaway from interactions with staff and stakeholder is that the condition of the learning environment is accepted "as is" with no real accountability or establishment of a culture with expectations to move towards improvement.					X	
	6	While SCHOOL DUDE software is in use, the department does not appear to maximize use other than as a data entry tool by requestors submitting work order requests.			X	X		Potential saving if fraud is occurring
	7	Site visits and documents presented do not support existence of a standard for regular preventative and predictive maintenance programs. There are no written standards (SOP's).				X		
	8	There were no documents in place to guide the work of a comprehensive maintenance and housekeeping program.					X	
	9	BISD did use energy management software in the past, but due to budget cuts the software is no longer in use.				X	X	
	10	The District uses the City of Beeville's garbage service, but there are no campus based and/or districtwide recycling initiatives.					X	
	11	There are no recycle/reclaim/reuse resources of water available to BISD.					X	
	12	The District has no current long-range or master facilities plan or any plans for life cycle replacement of equipment and major building systems.					X	
	13	The District has no formal process for handling tree planting, landscaping, and campus beautification projects - funded via non-traditional means.					X	
	14	The Director of Maintenance reports the purchasing process in BISD inhibits his ability to quickly close service calls.			X			
	15	Director did indicate he does manage comp-time using a manual method for tracking that he reports to Payroll.	X	X				Potential loss due to possible non-compliance with FLSA

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Transportation								
	1	The District has data to determine mileage pursuant to supporting TEA reporting, however department staff were unable to provide the geographical makeup in terms of total square miles for BISD.				X	X	
	2	Routing is ineffective and inefficient, a driver of school bell times, and a possible impediment to INSTRUCTION and student success.					X	
	3	The District's stance on "open enrollment," current bell structure, and lack of enforcement of walk-to-school (2 mile rule) boundaries inhibits efficiencies					X	
	4	The District does not use software for managing fuel dispensing and tracking both fueling activities for buses and white fleet is manual.			X	X		
	5	All records are manual and the organization matches the current route structure although like many school districts throughout Texas, maintaining adequate staff is a challenge.					X	
	6	Safety and training programs appear to be random and as needed.				X	X	
	7	The District fleet is maintained with a part-time mechanic driver, but the bulk of the work is outsourced to local shops.				X		Potential savings if PM is not outsourced
	8	The District is in fairly good shape with respect to fleet age. However, there is not set, fleet replacement plan.					X	
	9	Fleet dispatch and communication is via cell-phone - cell-phones are not a reliable communication tool.					X	