

SAVANNAH-CHATHAM COUNTY BOARD OF EDUCATION
Internal Audit Department



TO: Board of Education

THROUGH: Dr. Thomas B. Lockamy, Jr., Superintendent
Dr. Ann Levett, Deputy Superintendent, Chief Academic Officer,
Academic Affairs
Larry Jackson, Interim Chief Financial Officer

FROM: Marshall Withers, Senior Director, Internal Audit

DATE: March 30, 2017

SUBJECT: Audit Report of the Before and After School Care Contract

We have completed our Audit Report of the Before and After School Care Contract. Our audit report is presented in the sections listed below:

- I. AUDIT OBJECTIVES**
- II. AUDIT SCOPE**
- III. BACKGROUND**
- IV. FINDINGS**

In addition, the specific action that management has agreed to take in response to each recommendation is included in the Management Action Plan, along with who is responsible for the action and when it will be completed.

I. AUDIT OBJECTIVES

Our audit was designed to meet a specific objective. Within this objective, we focused on areas where we identified opportunities for improvement. The objective of our audit was as follows:

- To determine if the District and the vendor are in compliance with the Before and After School Care Contract.

II. AUDIT SCOPE

The Audit of the Before and After School Care Contract was conducted by reviewing the contract and conducting interviews with District staff and the vendor. This contract was chosen based on the Internal Audit's yearly risk assessment. The initial factor for our review was based on yearly vendor costs but we later determined the cost was not directly related to the contract. However, in review of the contract, we found risks that needed further review.

Internal Audit conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Details of each area tested and recommendations for strengthening the internal controls in that area are listed below.

The Board's District Accountability System (DAS) lists five goals:

- I. To ensure all students are college and career ready.
- II. To provide a safe, healthy, and clean environment that is conducive to teaching and learning.
- III. To maximize and promote opportunities to build strong relationships with stakeholders that contribute to the advancement of student success and community pride.
- IV. To build capacity to achieve a premier workforce that fosters a professional and supportive teaching and learning environment.
- V. To maximize resource stewardship and fiscal responsibility by ensuring District resources are used efficiently, effectively, economically, and equitably.

III. BACKGROUND

The Before and After Care Contract is designed to address the care of students before and after school. The programs are located onsite at participating schools (elementary, K-8, and middle schools). The program is called Pryme Tyme and is structured around a curriculum based on academics and structured playtime. Snacks are also provided to the students.

This contract was awarded to the YMCA of Coastal Georgia and approved by the Board on July 1, 2015. The contract is for an initial one-year period with the option to renew for four additional one-year terms. Parents pay YMCA of Coastal

Georgia for before and after school care services. There is no cost to the District. The YMCA of Coastal Georgia pays the District facility usage fees for the use of the facilities.

The program is in 26 elementary schools, nine K-8, and two middle schools. There is a yearly registration fee and then a weekly fee based on the student's Free and Reduced Lunch status. Principals have the ability to choose whether the program is in their school.

IV. FINDINGS

Due to the nature of the contract, there is no direct financial impact to the District; however, we did find areas of concern that could potentially put the District at risk.

Untimely Renewal of Contract

We found during the course of our review that the contract, which ended on June 30, 2016, was not renewed for an additional year until January 19, 2017.

Therefore, the District had no contractual agreement with the vendor for the District's afterschool care program for six and one-half months. Because the cost of the contract does not exceed \$100,000, the Board does not have to approve the renewal.

Out-Dated Language in the Contract

The contract includes language that is no longer relevant to how the District functions and/or the District does not have a policy to address the requirements of the language. To address how the vendor is to handle discipline, the contract states: "All Before and After School Care staff will adhere to the District's Zero tolerance policy and pass a Georgia/National Criminal Background check." The District no longer has a zero tolerance policy. As for the background check, the vendor conducts an extensive three-part background check of its employees. The District conducts a background check on its own employees and school volunteers (based on which tier group); however, no background checks are conducted on vendors that encounter students with the exception of the 21st Century Youth Advocates. The Director of 21st Century informed us they conduct additional background checks to ensure compliance with Federal requirements. The District Board Policy and Regulation, School Volunteers, IFCD-R(1) addresses the requirements for volunteers based on their interaction with the District and the students. We did not find a policy and/or regulation that address the requirements for vendors that have the same level of interaction with the District's students.

Contract Owner

In attempts to address the issues described above and in discussions with the YMCA of Coastal Georgia, we discovered the contract does not have a contract owner. There was no one at the District that could provide answers to our

questions concerning the language in the contract. In our conversations with the YMCA of Coastal Georgia, we were informed that they too have no point of contact at the District level to direct any questions or concerns about the contract. Currently, their primary contact is with the individual schools.

Recommendations for Findings

To the Finance Division and Academic Affairs, Internal Audit recommends:

1. All future renewals of the contract are timely to ensure both parties are in contractual agreement of services and update future contracts to include language that is relevant to Board policies and regulations.
2. Consider developing policies and/or procedures for vendors that have the same interaction with students as volunteers to ensure the safety of the District's students.
3. Identify a contract owner of the contract to provide governance over the future development of contracts for the District's Before and After School Care as well as a point of contact for the vendor.