

**SAVANNAH-CHATHAM COUNTY BOARD OF EDUCATION**  
**Internal Audit Department**



TO: Board of Education

THROUGH: M. Ann Levett, Ed.D, Superintendent of Schools  
David Feliciano, Chief Data & Accountability  
Larry Jackson, Interim Chief Financial Officer  
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FROM: Marshall Withers, Senior Director, Internal Audit

DATE: October 26, 2017

SUBJECT: Report on Audit of Technology in a School Setting

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We have completed our Audit of Technology in a School Setting. Our audit report is presented in the sections listed below:

- I. AUDIT OBJECTIVES**
- II. AUDIT SCOPE**
- III. BACKGROUND**
- IV. AUDIT CONDITIONS**
- V. OTHER MATTERS**

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 specific objectives. Within those objectives, we focused on areas where we identified opportunities for improvement in technology in a school setting. The objectives of our audit were as follows:

1. Determine if the District is adhering to policies and procedures as they pertain to the use of technology within a school setting.
2. Determine if District funds for technology are spent according to District guidelines and policies.
3. Evaluate the District's inventory procedures over fixed assets.
4. Determine the type of support given for the training, usage, and maintenance of technology in a school setting.
5. Identify ways the District schools are using technology in the classroom and evaluate the effectiveness of the technology.

## **II. AUDIT SCOPE**

The Audit of Technology in a School Setting was conducted to address risk issues identified during the Internal Audit's yearly risk assessment and discovery in other audits. This audit is designed to determine effectiveness and efficiency of how the District budgets and purchases technology in relationship to how technology is utilized within the District, of how support is provided in the training and maintenance of the technology within a school setting, and how the assets are monitored to ensure they are safeguarded from misuse and/or theft.

We conducted analyses of computer equipment expenditures and budgets for FY14-16 to identify changes over a three year period. We selected several random and judgmental samples of expenditures and fixed assets to determine compliance with purchasing procedures and inventory procedures. We conducted interviews with school administration and staff as well as District staff who have an impact on technology within a school setting. We also visited school sites to observe how technology was being used in a school setting.

Our fieldwork was conducted during the period of February 2017 through June 2017.

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 Supportive Learning Environment that is Conducive to Teaching and Learning.
- III. To Maximize Family and Community Engagement that Contributes to the Advancement of Student Success.
- IV. To Build Professional Capacity in Order to Achieve a Premier Student-Focused Workforce.
- V. To Maximize Resource Stewardship and Fiscal Responsibility by ensuring District Resources are Used Efficiently, Effectively, Economically, and Equitably.

At the beginning of each Condition statement, we have identified the DAS goal(s) that are most likely affected by the findings identified in the condition. Internal Audit has made recommendations to help support the achievement of these goals.

### **III. BACKGROUND**

The term technology, as described in the Merriam-Webster dictionary, has three variations: the practical application of knowledge especially in a particular area; a manner of accomplishing a task especially using technical processes, methods, or knowledge; and the specialized aspects of a particular field of endeavor. For the purpose of this audit, we reviewed the manner of accomplishing a task using technical processes, methods, or knowledge. We looked at the technological equipment within the District and how it is utilized, maintained and the training related to the equipment.

The District has various policies/regulations that pertain to the use of technology within the District. These resources help provide guidance to meet the federal, state, and local requirements as it relates to technology. These include but are not limited to:

- Board Policy and Regulation, DO-R, School Properties Disposal Procedures – addresses how the District should dispose of property to meet local, state, and federal reporting requirements as well as being fiscally responsible for taxpayer's funds.
- Board Policy and Regulation, ECH-R, Authorized Uses of Equipment and Supplies – addresses the employees' and students' responsibilities for the use of the equipment.
- Board Policy and Regulation, EFBGA-R (0), Electronic Communications – provides information on the use of email correspondence in order to meet local, state, federal laws.
- Board Policy and Regulation, IFBD-R-, Media Centers – provides

guidance on how to meet the requirements in State Board Rule 160-4-4-.01 Media Programs.

- Board Policy and Regulation, IFBG-R, Internet Acceptable Use – Along with the regulation, this policy addresses the users' responsibilities of using the internet, training on the use of the internet, and the expectations of how to use the internet.

Although all District staff and students must adhere to the previously listed guidance, it is the Data and Accountability Division that serves as the support structure for the District as it pertains to technology. Below is a breakdown of jobs that serve to support students, teachers, and staff directly on a day to day basis. During the scope of the audit these positions (\*) were under the Data and Accountability Division. They are now under the supervision of the Academic Affairs Division.

- \*Instructional Technology Coach – is responsible for assisting administrators, curriculum directors, professional learning specialists, and teachers with curriculum integration strategies as they relate to educational technology by training, coaching, and mentoring teachers in the use of technology to improve student achievement.
- \*Program Manager, Instructional Technology – is responsible for planning, implementing, training, and evaluating instructional technology services.
- \*Library Media and Technology Specialist – provides leadership and direction for the building-level library media program and assists with the integration of 21<sup>st</sup> century literacy skills across the curriculum. This position also supports technology integration into all instructional programs and creates an environment where collaboration and creative problem solving thrives.
- \*Library Media Technology Specialist Coach – is responsible for supporting, training, and coaching Library Media Technology Specialists and Library Media Technology Clerks throughout the district in all aspects of their positions.
- Technology Specialist, Support – is responsible for providing technical support to all District staff.
- Manager, Customer Service and Quality Assurance – is responsible for managing and leading a team responsible for maintaining instructional and business technology assets.

Funding for technical equipment within the District is not accounted for in one particular area. Most peripheral equipment is coded under computer equipment and non-peripheral equipment is coded in other object codes. Non-peripheral items are used to refurbish and/or maintain the computer equipment such as batteries, replacement screens, etc. For the purpose of this audit, we only reviewed the non-salary expenditures for computer equipment. Below is a breakdown of computer equipment (school and department) budgets for FY14-16.

	FY2014	FY2015	FY2016
Non-ESPLOST	\$4,260,987	\$3,248,308	\$2,903,773
ESPLOST	\$3,003,694	\$3,003,694	\$3,003,694
Total	\$7,264,681	\$6,252,002	\$5,907,467

The driving force of how the computer equipment funds were spent was based on the District's Technology Plan. The plan that supported the fiscal years we reviewed for this audit had a goal of a 3:1 computer ratio (no computer older than five years) for students. All ESPLOST funds were based on this ratio. In FY16, the District had met this goal in 47 out of 49 schools. Overall, the District had approximately a 1.5:1 computer ratio for students using all federal, state, local, and equipment five years or older.

We also conducted observations to identify if technology was being used in the school setting and the type of technology used. From 81 classroom observations, 75 classrooms had computers and 78 had a projector. Sixty-three classrooms were utilizing technology within a lesson structure. They were using the projector on the whiteboard, laptops, Chromebook, and/or mimeo boards.

#### **IV. AUDIT CONDITIONS**

##### **Condition A. District and School Media Committees**

*(DAS Goals III, V)*

In May 1998, State Board Rule, 160-4-4-.01 Media Programs, was adopted. It requires local boards of education to adopt a policy that provides for the establishment of a media committee at the system level and at each school, to develop procedures to address media materials, and how media centers are to function. The District's Board Policy IFBD, Media Centers and Board Regulation, IFBD-R, Media Centers meet the criteria in the State Board Rule. However, we discovered the District does not have a District-level Media Committee and the school-level committees do not all function as defined in District policy.

##### **District-level Committee**

Board Regulation, IFBD-R Media Centers was last revised in 2013. The requirement for a District-Level Media Committee requires the following:

1. The District level contact person will establish a central media committee and serve as a chairperson.
2. The committee will be composed of representatives from the following groups:
  - Central Office Administration
  - School Administration

- Curriculum Resource Specialists
  - Media Specialists (High, Middle, Elementary)
  - Teacher(s)
  - Technical Education
  - Community Member(s)
3. The committee will meet once a year
  4. The committee will make recommendations and decisions related to planning, operation evaluation, and improvement of the media program, which include:
    - Annual goals and objectives
    - Budget
    - Services
    - Challenged materials
    - Staff development
    - Selection policy
    - Other policies and procedures
    - Program modifications in accordance with standards.

We were informed by the Data and Accountability Division that the District-Media Committee does not currently exist. Therefore, we could not identify goals and objectives outside of the District Technology Plan as it relates to Media Centers and other media programs.

We were informed by management that the District previously had these District-level Committees. They were managed by the Director of Media Services. This position was eliminated during FY2013. The duties of conducting these meetings were not transferred to another position once the position was eliminated. Having a District-level committee that can develop goals and objectives, identify budgetary needs, and program development along with internal and external stakeholder engagement provides the groundwork and foundation for school administrators to follow and implement within their own schools.

### **School-level Committee**

A school level committee functions like the committee at the District level. This committee should be chaired by the media specialist. In conjunction with the school administrator, the committee will appoint representatives from other school administration, grade level/department heads, and community member(s). The committee will meet at least once per semester and make recommendations and decisions related to planning, operations evaluation, and improvement of the media program, which include:

- Annual goals and objectives
- Material Selection
- Budget
- Services
- Challenged materials

- Staff development
- Other policies and procedures
- Program modifications in accordance with standards.

We found that many schools do not have a school level committee and/or if they have one it does not function as outlined by Board Regulation. We interviewed 20 principals/media specialists from separate schools and across school levels. We found some of the committee meetings were not a separate committee with their own agendas. They were part of the leadership meetings with only a small segment of time. We were informed that often media issues were not discussed because time had run out. Some schools do not have a committee. Of those that did have a meeting, community members were not included in the meeting and/or the meetings were not chaired by the media specialist.

### **Impact to Media Programs**

The media committees, as designed by the State Board Rule, impact media centers and their programs which in turn can effect student achievement.

A media program does not encompass only technology but also the various programs that affect student achievement. Research has shown that a strong library media program can impact student achievement “regardless of other school conditions such as student-teacher ratio, overall per-pupil spending, student demographics and community socio-economic conditions” (Spinks, Andy. *Library Media Program and Student Achievement*. schoolwires.

henry.k12.ga.us/cms/lib/GA01000549/Centricity/Domain/4832/research.pdf.)

Developing programs that bridge the digital curriculum (not commonly used within the district) to state mandated curriculum can not only engage and teach a student about a particular subject but also how to utilize technology to acquire and process information.

In a recent SCANS report (Secretary of Labor’s Commission on Achieving Necessary Skills), two of the five workplace competencies that students need to learn in order to succeed in the workplace involve the application of technology and the use of technology in the work place. The two competencies are broken down as follows:

*Information: Acquires and uses information*

- a) Acquires and evaluates information*
- b) Organizes and maintains information*
- c) Interprets and communicates information*
- d) Uses computers to process information*

*Technology: Works with a variety of technologies*

- a) Selects Technology – chooses procedures, tools or equipment including computers and related technologies*
- b) Applies Technology to Task – Understands overall intent and proper procedures for setup and operation of equipment*
- c) Maintains and Troubleshoots Equipment – Prevents, identifies, or solves problems with equipment, including computers, and*

### *other technologies*

The media center is often considered the largest classroom within a school building. The media center is no longer only comprised of books, VHS cassettes and encyclopedias. Modern technology has taken those resources out of the library and into the classroom. A media specialist of today is expected to know how to write an objective, determine the instructor's goals, and the needs of the students (in collaboration with the teacher) in order to develop content and gather the resources (book and/or digital) for the instructor. This includes not only teaching students/staff how to use technology to process information but also how technology is used as a tool to obtain knowledge of information.

The Division of Data and Accountability has identified the shift change of the media specialist's position as well as utilizing technology resources in a school setting. The District's Technology Plan for 2017-2019 outlines this shift as cited below.

*It is our desire to provide students a learning environment that is not only engaging, relevant and rigorous, but also challenging, interactive, and ubiquitous. Twenty-first century tools open the door to limitless learning by providing access to global information and resources. The following vision statements will help communicate and guide the district in addressing specific areas of improvement.*

- 1. Ensure all teachers and students have access to a comprehensive infrastructure, digital portable devices, and resources for teaching and learning in a safe and secure environment, anytime and anywhere*
- 2. Provide teachers and students with access to online and face-to-face learning environments that support innovation, creativity, communication, and collaboration*
- 3. Transform traditional classrooms to student-focused learning environments where students are engaged in activities to ensure they are college- and career-ready upon graduation*
- 4. Provide tools and training to support the shift from paper-based communication and work to a more digital work environment*
- 5. Develop a workforce skilled in applying technology in their area of responsibility*
- 6. Ensure security, quality of service, and support is maintained during the instructional time period*
- 7. Utilize technology resources to engage parents, businesses, and the community*
- 8. Provide innovative, technology-driven solutions that meet the needs of all stakeholders*

This plan cannot be implemented without knowledge, feedback, and financial resources. The school and district-level committee(s) can serve to build and grow this vision. Therefore our recommendations are based to ensure compliance with Board policy and provide support to the District's Technology Plan.



## **Recommendations for Condition A**

### To Division of Data and Accountability and Division of Academic Affairs:

1. Develop (collaboratively) a District-wide committee structure that meets State Board Rule and District Regulation requirements while supporting the District's Technology Plan and the goals of the Academic Affairs Division. The scope of the committee should also include:
  - a) Monitoring of the school level committees to ensure compliance with State Board Rule.
  - b) Yearly evaluation of District and school level committees to determine if recommendations from these committees are being implemented.

### **Condition B. Technology Funding**

#### *(DAS Goal V)*

The District's technology budgets at the District and school levels are limited in meeting the upkeep of technology equipment, repair services, and continuation of the replacement cycle of computers within the District. The current budget relies on ESPLOST (all schools) and local funds as well as Federal and State funds to augment the majority of the computer equipment (peripheral) for the District. Non-peripherals (technology accessories), repairs outside of warranty and/or replacement computers are purchased by the school sites, central departments or Data and Accountability Division on a case to case basis. This is because ESPLOST funds cannot be used to purchase non-peripherals due to State laws for ESPLOST funding. The general fund budgets used to purchase these items have been reduced significantly.

In a three-year budget review (FY14-16) for computer equipment only, we discovered a 32% decrease in the overall (all fund areas except ESPLOST) budget for computer equipment. Title I had the largest decrease of 53% due to the reduction of class sizes. Schools prioritized Title I Funding to support teaching and learning under the reduced class size model. Non-salary funds were shifted to salary funds to meet Title I needs. The table in the background section of this report provides a quick snapshot of the reduction of funds over the past three years.

Far greater reductions occurred in the Data and Accountability's accounts (Non-ESPLOST). The budget line for the Data and Accountability Division's technology funds had been budgeted as part of the District's Five Year Technology Plan for many years. In 1997, the funds budgeted to meet the District's needs were as high as \$3.2 million. However, when ESPLOST I went into effect in 2007 the funding was reduced to \$100,000. Currently, there are no

budgeted funds within this account line. The Data and Accountability Division is using ESPLOST and other discretionary funds to meet the current technology plan.

ESPLOST funding has also experienced reductions for technology funding. For ESPLOST I, the initial budget for technology upgrades was 30 million dollars over a five year period (six million a year). The purpose of this money was to bring all computer equipment to a five year replacement cycle. This explains why some schools received more computers than others during ESPLOST I. However, this could not be accomplished throughout the District as anticipated because ESPLOST I funding was reduced to approximately \$15 million due to unanticipated tax decreases and other adjustments. For ESPLOST II, the modernization of the technology was continued, as well as, bringing schools to a 3:1 ratio for student computers and like ESPLOST I, the ESPLOST II funding was \$15,000,000 (\$3,000,000) over five years. Management has informed us the 3:1 ratio will continue to be the target goal for ESPLOST III which currently is budgeted for \$12,000,000 (\$2,400,000) over five years.

The need for technology in a school setting has increased with the changes of how technology is used in an educational setting. The funding to meet these changes has decreased as identified earlier in this report; however, a complete analysis of the District’s total technology cost has not been performed. The Data and Accountability Division identifies costs for student computers based on the five-year replacement cycle. The average cost for all student computers is three million dollars a year based on the 3:1 computer ratio. But, an analysis of total District costs (current or projected) for central office, school administrative, teacher, and assistive technology computer equipment (peripheral and non-peripheral) has not been conducted. This is due to the silo based methods the district budgets, purchases, and distributes equipment among schools and departments.

Computer equipment purchases are broken out between district/school levels, funding sources, and/or computer initiatives. The district uses ESPLOST funds to drive the 3:1 ratio for student equipment. All other instructional technology equipment are purchased by the school site. Below is a breakdown of the average General Fund school budgets for computer equipment (based on school levels) for the past three years:

	Average of 2014	Average of 2015	Average of 2016
Elementary	\$ 2,887	\$ 4,727	\$ 4,611
Middle	\$ 4,446	\$ 6,266	\$ 3,790
K8	\$ 4,702	\$ 4,052	\$ 4,754*
High	\$ 6,171	\$ 6,343	\$ 6,835

\*The average for 2016 does not include Rice Creek School. The school received start-up funds of \$178,364.

These budgets are used to purchase non-student (teachers, administrator, and other staff computers) and/or student computers. The District has an average of 49 classroom teachers onsite. For a computer replacement cycle of 15% per year (7 computers a year) a school would need an average budget of \$5,880 just to maintain the computer equipment replacements. The school sites are also responsible for replacement items such as bulbs for the projectors, purchasing repairs for any equipment outside of warranty, document cameras, and non-peripheral items such as mouse(s), keyboards, headphones, and other accessories. These items are not purchased through the computer equipment account lines but through other budget lines. Federal Special Education funds are used to purchase the assistive technology equipment. This equipment is utilized by students that have been identified as needing additional services with the use of technological devices.

As the need for technology in the workplace and in the classroom increases, the District should prepare to meet these needs as part of the annual budget process. Relying on one funding source (ESPLOST) to meet a significant portion of the District technology needs may not be the most effective way to maximize funds. ESPLOST funds are contingent on voter approval and may not continue to be a funding source for the District. To ensure the most efficient use of taxpayer's money, the District should remove the silo based management of funds for technology and develop a business model that incorporates the needs of all programs, sites, and schools while maximizing all funding sources.

### **Recommendations for Condition B**

#### **To Superintendent of Schools:**

1. Develop a cross-functional business/funding model for identifying, and executing all program objectives, and monitoring the technology needs of the District on an ongoing basis. This business model should include:
  - a) The definition of technology within the business model and identify all components that will be included in the definition (monetary and human cost factors).
  - b) Multi-department input in the development of the business model to ensure that the goals and objectives of all departments/programs are incorporated in the model.
  - c) Current technology costs for the District to establish a benchmark and develop a comprehensive funding model for projected costs.
  - d) Outcomes from the District's Media Committee should be assessed on an ongoing basis to serve as a collaborative feedback for the impact of the designed business/funding model.
  - e) A monitoring tool that conducts a continuous tracking of costs, impact of service delivery (timing of purchase, maintenance turnaround, etc.), and any other components that drive the business model.

**Condition C. Outdated Fixed Assets Inventory Methods**  
*(DAS Goal V)*

The inventory methods within the District are conducted in an inefficient manner that impacts accuracy of reporting and the job duties of the person entrusted with conducting the inventory. They are not centralized or streamlined for a productive workflow. In addition, many of the same conditions found in a 2009 Internal Audit of Fixed Asset Accountability still exist.

**Multiple Inventory Requests for the Same Item**

Many inventory procedures exist within the District. They are generated from Finance, SPED (Special Education), Title I, CTAE (Career, Technical, Agricultural Education), Pre-K, Accountability and Assessment, and State Reporting for technology devices. The media specialist at the school site is expected to conduct all inventories needed for their school.

The Division of Finance requires schools to conduct yearly inventories of all assets on their school's list (all funded purchased items). This is conducted at the end of the fiscal year. The current procedures require that all fixed assets \$1,000 or more must be monitored for physical location. Computers that cost less than \$1,000 must also be inventoried each year. SPED and Title I programs are federal programs. Title I inventories are only required once every two years (with spot checks conducted by Program Managers yearly) and SPED requires them to conduct a review once a year. CTAE requires a yearly inventory; however, we were informed they send the information to the teachers at the beginning of the year and require them to report the information at the end of the year. Accountability and Assessment requires an inventory of Race to the Top grant provided equipment. In addition, a functionality test of all computers used in the course of testing is conducted. The Data and Accountability Division requires a count of computers based on defined criteria as required for State reporting purposes. All inventories, except for the technology state reporting, are conducted by one person at the school site to conduct the inventories.

During FY18 budget requests, the Division of Data and Accountability requested funding in the amount of \$126,000 to cover licenses, material, and training and an ongoing yearly maintenance and support fee of \$30,000 a year for an inventory management program to address all inventory requirements. The justification noted supports the findings in this audit:

*Currently, the district does not have a central database for tracking non-fixed assets among the schools. A central solution is needed in order to track and report non-fixed asset items. Schools have created several methods for tracking items, and the district has created several databases to track program purchased items, grant purchased items,*

*and school purchased items. Many of these databases maintain duplicate records of the same item, and the naming conventions for items are not consistent across these disparate systems. This makes the process of tracking and reporting on non-fixed assets and equipment throughout the district difficult. For example, a video recorder can be entered as a DVD recorder, a VHS recorder, or even a camera due to a lack of field standardization and a common inventory platform. This puts a burden on the Library Media Technology Specialists in each building who are typically the individuals charged with maintaining these inventories and takes them away from their daily instructional duties, working with students and teachers.*

The request was denied due to budget priorities. The purpose of the inventory management program was to identify all computers within the District and non-fixed asset items.

### **Unresolved Findings**

The inventory requests to the media specialist are still a manual process. Each department requests each inventory on separate documents. This was identified in the 2009 Fixed Asset Accountability Audit. The Internal Audit Department recommended that the site fixed asset administrators, information technology, and accounting staff work together to automate the technology portion of the inventory. Management agreed with the recommendation to automate the technology portion of the inventory in FY10. The 2010 Report on Use of Audits Report states, "Completed. Fixed Asset Accountant utilizes the technology reports designed to locate computers." We have found during this audit the conditions found in 2009 still exist.

As noted, the Division of Finance requires a physical inventory of all assets within a school. Any changes to the location of the equipment is documented and sent back to the Division of Finance. In conversations with media specialists, we discovered the same issues identified in the 2009 Fixed Asset Accountability audit still exist; Changes to the District's Fixed Asset List are not updated in a timely manner. We found in our compliance review that 45% of sampled assets could not be located because they were not in the designated room listed on the District's Fixed Asset List. However, we were able to find 88% of the assets (working from the same sampled assets) when using the media specialist's backup method of finding assets. They use either the previous year's School Fixed Asset List that they provided to the Division of Finance to locate an item or the school's Destiny program (school library management program). Destiny is designed to manage library resources, not inventory management of assets.

### **Impact on Media Specialists**

The current inventory procedures were designed during a time period when the levels of computer equipment, iPad's, chromebooks, and projectors were not at the high levels they are now. The number of items have increased significantly

for the media specialists to monitor on a yearly basis. The Georgia Department of Education recommends to school districts to monitor assets (fixed and non-fixed) that are \$5,000 or more for financial reporting purposes. The District currently requires all assets \$1,000 or more to be monitored. The District includes an exception of the computer equipment less than \$1,000 to ensure security of the item in case of theft. With the threshold being so low, media specialists are being asked to verify serial numbers and locations of ice making machines, band equipment, wrestling mats, shelves, etc., in addition to computers and projectors.

The current inventory practices in the District impact the job duties of the media specialist. We found that the multiple inventories that are conducted (administrative duty) have impacted their main functionality as a teacher. Many media specialists indicated that the time it takes to monitor equipment has taken away from the opportunity of teaching students and/or teachers. The expectation is for them to physically identify every item for every inventory requested of them. This method of inventory is not conducive to a productive work day based on the main functionalities of a media specialist. They have expressed to us that they want the process streamlined so they can identify the asset once and account for it in one location.

The current inventory procedures are outdated in their design to monitor equipment in an effective and efficient manner. The process is silo-based in meeting various departments' needs for the same objective. The process needs to be streamlined in a way that reduces the time to conduct an inventory. Therefore, our recommendations are based on streamlining the process to reduce the impact the process has for all parties involved.

### **Recommendations for Condition C**

#### To Division of Data and Accountability and Division of Finance:

1. To purchase an inventory management system that streamlines all required inventories from both the technology and academic departments, provides a reporting structure that is electronic in order to eliminate the manual processes, and has reporting mechanisms that management can utilize to meet their reporting needs. (Data and Accountability)
2. Consider moving the threshold of the inventory requirements for asset inventory from the \$1,000 level to a higher threshold in order to reduce the items required to be inventoried. (Finance Division)
3. Develop one set of procedures that support the new system and address the requirements of all departmental needs within the District. (Data and Accountability Division and Finance Division)

## **V. OTHER MATTERS**

During the course of this audit, we determined two additional areas of risk. While we did not include these areas in our audit program and did not conduct extensive tests in these areas, we believe that District management should consider further review of these areas to mitigate possible risks.

In review of the disposal process of computer equipment, we discovered the Maintenance and Operations Department held checks for months at a time before sending them to the Division of Finance for deposit. Within a three year period (FY15-17) approximately \$7,500 in checks received from the recycling company were not deposited in a timely manner. Many checks were stale dated and/or the company had closed the account from which the check was disbursed. The District was able to recover the money; however, the pattern of holding checks for months at a time is a common practice and has been occurring for over two years.

We also discovered the District does not have a current contract with a recycling company for electronic waste once the District has removed the hard drive to secure the District's data. The last memorandum of agreement (MOA) the District had with any company for this service ended on March 29, 2014. The contract was intended only for a six-month period. No further MOA's have been established. Therefore, there is no current agreement with any company to document that terms of revenue payments, scope of services, and insurance requirements for the disposal of computer equipment.

### **Recommendations for Other Matters**

#### **To Division of Finance and Maintenance and Operations Department**

1. Develop receipt procedures to ensure all funds are routed to the Division of Finance within a 48 hour time period. (Maintenance and Operations Department and Division of Finance)
2. Establish a contract with an electronic waste vendor to meet the needs of the District and insurance requirements as it relates to electronic waste. (Maintenance and Operations Department and Division of Finance)

**MANAGEMENT ACTION PLAN**  
**Audit of Technology in a School Setting**  
**Management's Response and Action Plan**

Comment or Condition Description	Recommendation	Responsible Area(s)	Action	Current Estimated Completion
<b>Condition A. District and School Media Committees</b>				
<i>To Division of Data and Accountability &amp; Division of Academic Affairs</i>				
A.1.	Develop (collaboratively) a District-wide committee structure that meets State Board Rule and District Regulation requirements while supporting the District's Technology Plan and the goals of the Division of Academic Affairs. The scope of the committee should also include:	Media Services, Instructional Technology, Information Technology	A District Media and Technology Advisory Committee (DMTAC) will be formed that meets the requirements of SBR 160-4-4-.01: Media Programs and IFBD-R: Media Centers. DMTAC shall meet as needed with a minimum of one meeting per year.	July 2018
	a) Monitoring of the school level committees to ensure compliance with State Board Rule.	Department of Media Services and Principals	A central document management solution shall be provided for the School Level Committees (SLC) to post their agendas, minutes, and action items. SLCs shall meet as needed with a minimum of one meeting per semester.	December 2017
	b) Yearly evaluation of District and school level committees to determine if recommendations from these committees are being implemented.	Department of Media Services and Principals	Action items from the committees shall be reviewed for recommendations into the budget process, technology plan, service priorities, and/or school programs.	Ongoing, twice a year
<b>Condition B. Technology Funding</b>				
<i>To Superintendent of Schools</i>				
B.1.	Develop a cross-functional business/funding model for identifying, and executing all program objectives, and monitoring the technology needs of the District on an ongoing basis. This business model should include:	Information Technology, Finance	A cross-functional funding model framework shall be created for tracking the technology needs of schools and business departments. The funding model shall be incorporated into the technology plan, and the phases submitted yearly for funding through the budget cycle.	March 2018
	a) The definition of technology within the business model and identify all components that will be included in the definition (monetary and human cost factors).	Information Technology, Finance	Technology hardware and software shall be defined along with the support services (technical and instructional) needed. The information will be compiled and incorporated into the technology plan.	March 2018
	b) Multi-department input in the development of the business model to ensure that the goals and objectives of all departments/programs are incorporated in the model.	Information Technology, Finance	Department input shall be solicited in the development of the funding model framework using group meetings and surveys.	March 2018



**MANAGEMENT ACTION PLAN**  
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Comment or Condition Description	Recommendation	Responsible Area(s)	Action	Current Estimated Completion
	c) Current technology costs for the District to establish a benchmark and develop a comprehensive funding model for projected costs.	Information Technology, Finance	A benchmark shall be created and used to establish projected and cyclical costs for both instructional and business systems/services.	March 2018
	d) Outcomes from the District's Media Committee should be assessed on an ongoing basis to serve as a collaborative feedback for the impact of the designed business/funding model.	Media Services, Instructional Technology, Information Technology	Action items from the DMTAC shall be reviewed yearly for recommendations into the funding model and/or technology plan.	September 2018
	e) A monitoring tool that conducts a continuous tracking of costs, impact of service delivery (timing of purchase, maintenance turnaround, etc.), and any other components that drive the business model.	Information Technology, Finance	The financial system records costs of services, to include technology/parts orders, processing, and delivery. The Data and Accountability Division will track these costs and the impact on service delivery. The ServicePRO system tracks technology support services, maintenance, and repairs. Based on feedback from these two systems, spare components shall be kept on hand to improve service delivery. A percentage will also be applied to the funding model to ensure rapid service recovery and continuity of instructional and business operations.	March 2018
<b>Condition C. Outdated Fixed Assets Inventory Models</b>				
<i>To Division of Data and Accountability &amp; Division of Finance</i>				
C.1.	To purchase an inventory management system that streamlines all required inventories from both the technology and academic departments, provides a reporting structure that is electronic in order to eliminate the manual processes, and has reporting mechanisms that management can utilize to meet their reporting needs.	Information Technology, Finance	Funding for a non-fixed assets inventory system shall be submitted through the budget process. The online system shall be available to all schools and departments for inventory tracking and reporting.	July 2018
C.2.	Consider moving the threshold of the inventory requirements for asset inventory from the \$1,000 level to a higher threshold in order to reduce the items required to be inventoried.	Finance	The fixed asset threshold shall be adjusted to \$5,000.00 and the existing fixed asset database will be adjusted to support this change.	January 2018
C.3.	Develop one set of procedures that support the new system and address the requirements of all departmental needs within the District.	Information Technology, Finance, State/Federal Programs	New procedures shall be provided to the schools and departments on the requirements of inventory and reporting.	December 2018

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Comment or Condition Description	Recommendation	Responsible Area(s)	Action	Current Estimated Completion
<b>Other Matters</b>				
OM.1.	Develop receipt procedures to ensure all funds are routed to the Division of Finance within a 48 hour time period.	Maintenance & Operations	Procedures shall be created to ensure funds are provided to the Department of Accounts Receivable within three days.	December 2017
OM.2.	Establish a contract with an electronic waste vendor to meet the needs of the District and insurance requirements as it relates to electronic waste.	Maintenance & Operations	A solicitation shall be generated in order to establish an electronic waste contract, and a new process defined for electronic waste pickup and disposal.	February 2018