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## **Temporary Custodian Services**

**July, 2012**

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## **BACKGROUND**

The district has a contract with an agency for temporary custodians. Each school in need of temporary custodians can acquire them through the contract by issuing a purchase order with the appropriate agency. Each school is responsible for scheduling and supervising the work of temporary custodians, signing off on their timesheets, and approving invoices so payment can be made.

## **OBJECTIVE**

Our audit objective was to determine compliance with contract policies, procedures and objectives and whether the temporary services contracts are managed in an efficient and effective manner and whether management practices include appropriate controls.

## **SCOPE AND METHODOLOGY**

Our audit covered the period from July 1, 2010, through June 30, 2011.

We reviewed and tested documentation relating to temporary custodian transactions.

Our audit was performed in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors. The procedures performed were those we deemed necessary to meet the audit objective.

## **FINDINGS AND RECOMMENDATIONS**

### **Vendor Contract Requirement:**

Section 2.1 of the temporary custodian bid (#1105126) states:

“Bids will only be accepted from agencies that maintain an office in Orange County. This requirement has been established since an agency with an Orange County office is more likely to have a broad database of clients who reside in Orange County and who would be willing to commute to district locations needing temporary personnel.”

Our audit noted that AUE Staffing Solutions, the primary vendor on this contract, provided an address in downtown Orlando in its bid. However, the address provided was that of an office suite previously occupied by a law firm. The building management office informed us that the agency had not been a tenant of its building. We informed the Procurement Department of our finding and they are following up with the vendor.

We recommend that the requirement for an Orange County office be re-evaluated to determine its necessity. The agency in question has its office in Altamonte Springs in Seminole County and seems to be providing satisfactory services to the district. If it is decided that the requirement should remain, the Procurement Department should perform procedures to verify bidders' office locations when evaluating future bids.

### **Social Security Numbers:**

We noted several instances where the temporary custodian time sheets provided by On Target Staffing contained all or portions of the temporary worker's individual social security number. This same issue has occurred on other categories of temporary workers' time sheets as well.

We recommend that the Procurement Department insert language into these contracts asking that personal identification information such as social security numbers not be included in any documentation provided to OCPS unless specifically requested.

### **Goods Receipts (G/R) Exceptions:**

We noted several instances where school personnel made goods receipts (G/R) entries in SAP for the entire amount of a purchase order (PO) before any portion of the custodial services was invoiced by the vendor. The G/R indicates the dollar amount of the corresponding PO that may be paid. It is supposed to indicate that the school has received the goods or services in the amount of the G/R and those goods or services are satisfactory and in accordance with the PO. If the G/R is overstated then it is possible for the vendor to be overpaid.

We recommend that the Accounts Payable Department review the feasibility of including within the SAP program a pop-up reminder when users are entering G/R's informing them of the proper procedures for preparation of a goods receipt.

### **Pre-Approval of Temporary Custodians' Time: Winter Park High School:**

We noted the following when testing temporary custodian invoices for Winter Park High School:

- Temporary custodian time cards are signed off by the school's budget bookkeeper who is not involved in supervising these workers or monitoring their work hours.
- In at least one instance, the bookkeeper signed off on two temporary custodians' time sheets before they had completed their work day.
- The hours worked as shown on time clock cards generated at the school did not always agree with the agency's "weekly time sheets" which are used for billing purposes. As a result, it appears that the school has, in some cases, paid for time not worked by the temporary custodians.

We recommend that the school work with Procurement and Accounts Payable personnel to determine if overpayments have occurred and obtain appropriate credits or refunds. We also recommend that temporary custodians' time sheets be approved by the head custodian or another individual at the school who has knowledge of the hours worked. Time sheets should not be signed off in advance.

### **Contract Oversight / Summary Recommendations:**

This contract is not centrally administered by an overseeing department. Instead, individual schools can access the services from the contract by entering purchase requests through the iBuy system. This process makes each work location a de facto contract administrator.

Our findings in this and other recent audits have indicated that controls would be strengthened if schools and work locations had additional or refresher training on procedures to administer contracts, supervise service providers, and approve and pay for goods and services.

Accordingly we recommend that the Procurement and Accounts Payable Departments work together to evaluate the need and provide additional education and training as necessary for effective internal controls.

Bob Sicolo, CIA, Auditor

**AUDIT RESPONSE MATRIX**

**DEPARTMENT/SCHOOL: Purchasing and Contracting**

**ADMINISTRATOR/PRINCIPAL: Nellie Nido**

**AREA SUPERVISOR/ASSOC. SUPT.: Michael Eugene**

<b>Exception Noted</b>	<b>Management Response</b>	<b>Responsible Person</b>	<b>Outcome Timeline</b>
<b>What Is? What ought to be?</b>	<b>What needs to be done?</b>	<b>Who needs to do it?</b>	<b>When will action be completed? What evidence of completion?</b>
<p><b>Vendor Contract Requirement:</b> Section 2.1 of the temporary custodian bid (#1105126) states:</p> <p>“Bids will only be accepted from agencies that maintain an office in Orange County. This requirement has been established since an agency with an Orange County office is more likely to have a broad database of clients who reside in Orange County and who would be willing to commute to district locations needing temporary personnel.”</p> <p>Our audit noted that AUE Staffing Solutions, the primary vendor on this contract, provided an address in downtown Orlando in its bid. However, the address provided was that of an office suite previously occupied by a</p>	<p>Procurement Services contacted AUE Staffing related to the audit finding. At the time of bid submittal, AUE Staffing had an agreement with General Counsel Advisors, AUE’s legal counsel/lawyers. The office was located at 20 N. Orange Ave., Ste 700 Orlando, FL 32801 and was used by AUE for meetings with clients and applicants alike. More recently, General Counsel Advisors relocated to 1065 West Morse Blvd, Suite 101, Winter Park, FL 32789. AUE has an ongoing agreement with General Counsel Advisors to use their offices at this location to service OCPS as needed.</p> <p>Additionally, Procurement Services will consider revising this specification for future solicitations, as it would not be unreasonable to consider firms with offices in neighboring counties (ie, Seminole, Osceola, etc.)</p>	<p>Nellie Nido</p>	<p>Completed</p> <p>On-going basis, as new bids are done.</p>

<p>law firm. The building management office informed us that the agency had not been a tenant of its building. We informed the Procurement Department of our finding and they are following up with the vendor.</p> <p><b>Social Security Numbers:</b> We noted several instances where the temporary custodian time sheets provided by On Target Staffing contained all or portions of the temporary worker's individual social security number. This same issue has occurred on other categories of temporary workers' time sheets as well.</p>	<p>Procurement Services contacted On Target Staffing. While currently their time sheet does have a space for an employee's social security number (SSN), it is not an actual requirement. Not all employees write in the SSN. On Target will be revising their time sheet to delete this line. The name of the employee will suffice, as On Target is familiar enough with each employee sent to OCPS. Additionally, On Target will be revising their time sheet to remove the SSN line.</p> <p>Procurement Services will also address the use of SSN in future solicitations where time sheets are required. Specifications will be such that other identifying information will need to be used, as the use of SSN on public documents is a liability.</p>	<p>Nellie Nido</p>	<p>New Time Sheets will be revised by mid-September.</p>
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<p><b>Pre-Approval of Temporary Custodians' Time: Winter Park High School:</b></p> <p>We noted the following when testing temporary custodian invoices for Winter Park High School:</p> <ul style="list-style-type: none"> <li>In at least one instance, the bookkeeper signed off on two temporary custodians' time sheets before they had completed their work day.</li> </ul>	<p>Contacted firms to confirm when time sheets are due for payroll purposes. Firms confirmed that timecards need to be submitted the following Monday by Noon EST.</p>	<p>Nellie Nido</p>	<p>Done</p>

**AUDIT RESPONSE MATRIX      Temporary Custodian Contracts**

**DEPARTMENT/SCHOOL:    Winter Park High School**

**ADMINISTRATOR/PRINCIPAL:    Tim Smith**

<b>Exception Noted</b>	<b>Management Response</b>	<b>Responsible Person</b>	<b>Outcome Timeline</b>
<b>What Is? What ought to be?</b>	<b>What needs to be done?</b>	<b>Who needs to do it?</b>	<b>When will action be completed? What evidence of completion?</b>
<p><b>Pre-Approval of Temporary Custodians' Time: Winter Park High School:</b></p> <p>We noted the following when testing temporary custodian invoices for Winter Park High School:</p> <ul style="list-style-type: none"> <li>In at least one instance, the bookkeeper signed off on two temporary custodians' time sheets before they had completed their work day.</li> </ul>	<p>Temporary custodians will use the WPHS time cards to document their working hours. The completed time cards will be signed by each temporary employee and turned in to the Custodial Supervisor on duty for each campus (Freshmen and Main Campus) at the end of the week. The Custodian Supervisor will give the time cards to the Assistant Principal in charge of Custodians for each campus.</p> <p>The Assistant Principal will complete the Temp Agency's "weekly time sheets" using the time recorded on the WPHS time cards and sign the "weekly time sheets" prior to faxing to the Temp Agency. The Temp Agency's "weekly time sheets" will be faxed to the Agency no later than Monday at 1200 (noon). The Temp Agency's "weekly time</p>	<p>Custodial Supervisors at each campus and Assistant Principal in charge of Custodians</p> <p>Assistant Principal</p>	<p>Immediately</p> <p>Immediately</p>

	<p>sheets" will not be completed and signed by the Assistant Principal until the end of the work week as indicated on each time card (i.e. if the duty day ends at 10 p.m., the time sheets must be signed after the time card has been completed).</p>		
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