

# Memorandum

**To:** Michael Eugene, Chief Operations Officer  
Jim Beekman, Senior Director, Transportation Operations

**From:** Linda J. Lindsey, CPA, Senior Director, Internal Audit

**Date:** January 12, 2011

**Re:** Transportation Study Recommendations, Follow-up Review

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## **Background:**

At the request of the School Board, the district engaged the services of TransPar Group, Inc. to analyze the policies, procedures and expenditures associated with the Transportation Department for the purpose of reducing expenses and increasing operating efficiency. The results of this effort were presented to the School Board in March, 2010. As a result, the School Board directed staff to report how the recommendations in the report will be addressed and when. On April 6, 2010, staff presented, and the Board agreed by consensus, to implement certain recommendations during the district's fiscal year that will end June 30, 2011, and to pursue other recommendations in later years.

Since that time, the Transportation department has been tracking and reporting the status of recommendations from the April 6, 2010, work session.

## **Scope and Methodology:**

Our follow-up review addressed the status reported by the Transportation department during the first quarter of fiscal year 2011-2012. We performed steps to validate the actions taken and the status of each of the goals for FY 2010-2011 as identified by the Transportation department in the April 6, 2010 work session. We also re-read the TransPar report and work session presentation and attempted to determine that all the TransPar recommendations are being tracked for study and implementation. Because the Transportation department is addressing the Transpar recommendations in a phased manner, goals for periods beyond the current fiscal year have not yet been established by the department.

## **Findings and Recommendations:**

Status Verification - The results of our procedures indicate that the Transportation department's status reports are generally accurate and the data reported therein were verifiable in district records.

However, the field trip management system is not yet operational and will not be until it is prioritized and funded in the information technology master plan. Management has indicated that a business case for this program has been prepared for the fiscal year 2011-2012 budget planning process.

Accountability - The report format currently used to report implementation status, in some cases, misrepresents the recommendation of TransPar. We recommend that the column headed "TransPar Recommendation" be relabeled to better reflect that it actually represents the current fiscal year's goals for reducing costs as outlined at the April 6, 2010 work session.

At this time, the Transportation department is not tracking or reporting the status of TransPar recommendations other than those involved in the FY 11 goals. We recommend that the remainder of the recommendations also be tracked so that full accountability as to the results of the study can be demonstrated. This doesn't mean that every recommendation must be implemented. Indeed, some of them are alternative approaches to the same issue and some are mutually exclusive. But each recommendation should be tracked and its outcome documented, even if the outcome is a decision not to implement.

It is our understanding that the Transportation department will be presenting a second round of goals related to the TransPar recommendations at an upcoming School Board work session.

## **Summary:**

Recommendations from the TransPar report are being addressed in a phased approach. Accountability will be better demonstrated with a report that tracks all recommendations, even those not presently being worked. Additional follow-up reviews by Internal Audit will be performed on a periodic basis.

We wish to thank the staff of the Transportation department for their cooperation and assistance with this review.

AUDIT RESPONSE MATRIX

FISCAL PERIOD: FY11

DEPARTMENT/SCHOOL:  
 ADMINISTRATOR/PRINCIPAL:  
 DEPARTMENT HEAD/AREA SUPERINTENDENT:

Transportation Services
Jim Beekman
Michael Eugene

Exception Noted What is? What should be?	Management Response What needs to be done?	Responsible Person Who needs to do it?	Outcome Timeline When will the action be completed? What is the evidence of completion?
<p><b>1) Field Trip Program (FTMS) is not yet operational</b></p>	<p><b>Business Case Submitted for FY12 Funding</b></p>	<p><b>BPO – Jim Beekman</b></p>	<p><b>As soon as funding is secured and program is incorporated into the ICTS work schedule.</b></p>
<p><b>2) Column Heading “TransPar Recommendation” is misleading</b></p>	<p><b>Change heading to “Board Approved Recommendations” to better reflect what was presented to the board</b></p>	<p><b>Department Administrator – Jim Beekman</b></p>	<p><b>Prior to 2/1/11, new form will be submitted to Audit team.</b></p>
<p><b>3) Begin complete tracking of all TransPar recommendation.</b></p>	<p><b>Work with Audit to create a separate working document to track any items included in the TransPar report.</b></p>	<p><b>Transportation Administrative Team</b></p>	<p><b>Prior to 3/1/11, dual documents to be maintained, one in Transportation and the other with Audit.</b></p>