

# 1.4 Organizational Environment – Organizational Structure

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## Professional Standard

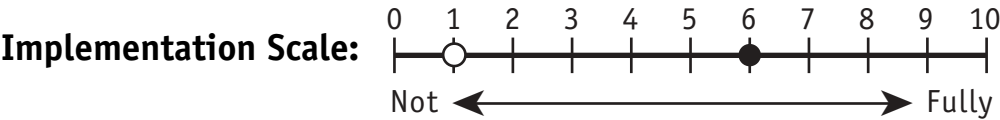
The organizational structure should clearly identify key areas of authority and responsibility. Reporting lines should be clearly identified and logical within each area. [SAS-55, SAS-78]

## Progress on Recommendations and Recovery Steps

- 1. The district has completely reorganized the Division of Business and Administrative Services.
- 2. The analysts now have responsibility for a unit or section and supervision is much more immediate and timely.
- 3. Desk responsibilities have been identified. Each employee was evaluated as to their skill levels and appropriate training was provided. Each employee received individual counseling.
- 4. The training program was provided by the senior director directly as quality control was of the essence this first training round.
- 5. The district is in the process of evaluating salaries for competitiveness with other districts.

## Standard Implemented: Partially

Previous Rating: 1  
Self Rating: 6  
New Rating: 6



### 3.1 Staff Professional Development – Training programs and plans

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#### Professional Standard

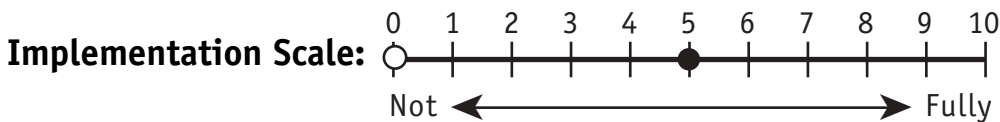
Develop and use a professional development plan, i.e. training business staff. The development of the plan should include the input of business office supervisors and managers. The staff development plan should at a minimum identify appropriate programs office-wide. At best, each individual staff and management employee should have a plan designed to meet their individual professional development needs.

#### Progress on Recommendations and Recovery Steps

1. The senior director has identified crucial need areas based on individual employee evaluations and the needs of the department. Training is provided within the department by the senior director. While the plan has not been formally documented in all departments, it has been officially implemented in the business department and the ITD department.
2. Each employee has received customer service training and is also receiving outside training, one-on-one training based on their individual skill level. Staff reviewed the FCMAT standards with all employees and their role in implementation.

#### Standard Implemented: Partially

Previous Rating: 0  
Self Rating: 5  
New Rating: 5



## 4.1 Internal Audit – Policies and procedures governing internal audits

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### Professional Standard

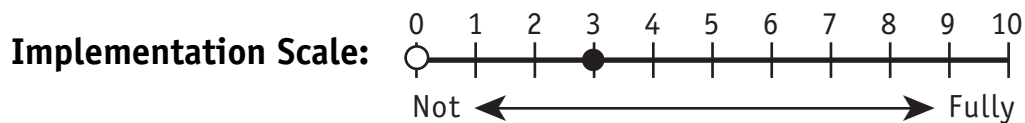
The governing board should adopt policies establishing an internal audit function that reports directly to the superintendent/state administrator and the audit committee or governing board.

### Progress on Recommendations and Recovery Steps

1. The district has contracted with CSBA to update its policies. The district has begun the process of hiring a Certified Public Accountant. A request for proposals has been properly advertized and the district is reviewing proposals and anticipates hiring a CPA by August 30, 1999.

### Standard Implemented: Partially

Previous Rating: 0  
Self Rating: 3  
New Rating: 3



## 4.2 Internal Audit – Organization of Internal Audit Functions

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### Professional Standard

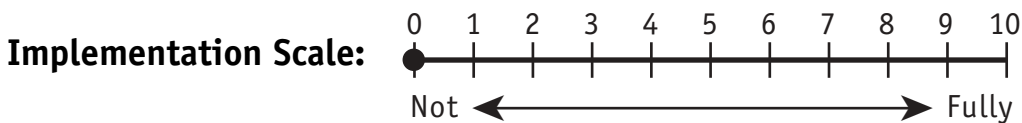
Internal audit functions should be designed into the organizational structure of Compton. These functions should include periodic internal audits of areas at high risk for non-compliance with laws and regulations and/or at high risk for monetary loss.

### Progress on Recommendations and Recovery Steps

1. The district has begun the process of hiring a Certified Public Accountant. A request for proposals has been properly advertized and the district is reviewing proposals and anticipates hiring a CPA by August 30, 1999. The internal audit should begin after August.

### Standard Implemented: Not

Previous Rating: 0  
Self Rating: 0  
New Rating: 0



## 5.5 Budget Development Process (Policy) – Policy Methodology Used to Build the Preliminary Budget

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### Professional Standard

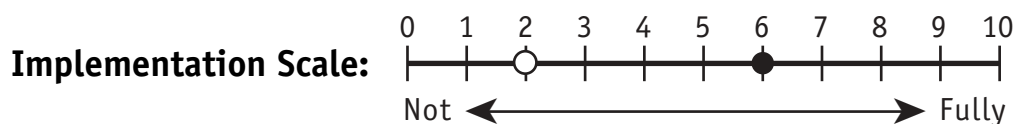
The district should have policies in place to facilitate development of a budget that is understandable, meaningful, reflective of district priorities, and balanced in terms of revenues and expenditures.

### Progress on Recommendations and Recovery Steps

1. All funds have been reconciled. The only fund that continues to deficit spend is the child development fund.
2. The budget has been built around the goals set by the district. Documentation was provided.
3. Staff was directly involved in budget development and presentation. A handbook was developed to present the budget in an understandable format. Training was also provided to staff members to enable them to better understand the process and the final budget.
4. The senior director has direct responsibility for monitoring the ending balances. Documentation was presented to verify this monitoring process.
5. Currently, the district has implemented procedures requiring examination of the revenues and expenditures in each and every fund to ensure that there is not deficit spending. Direct oversight is being provided by the district.
6. Prior year expenditures were not a reliable source of information as the accounts were never reconciled. This year, all payables are up to date and the closing of the books will occur in a timely fashion and will reflect accurate spending patterns. Prior year data should prove to be reliable in the future.

### Standard Implemented: Partially

Previous Rating: 2  
Self Rating: 6  
New Rating: 6



## 7.3 Budget Adoption, Reporting and Audits – AB1200 Quality Assurance Processes

### Professional Standard

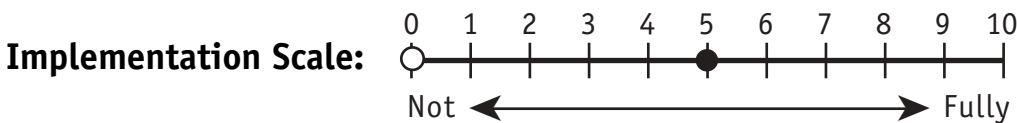
The district should have procedures that provide for the development and submission of a district budget that adheres to criteria and standards and will be approved by the Los Angeles County Office of Education.

### Progress on Recommendations and Recovery Steps

- 1.a. The LACOE had concerns with the 98/99 budget. As of the Second Interim, these concerns were resolved. The district received the standard letter of continued approval. The budget for the 99/00 school year was submitted on-time. Cost cuts were made in the budget involving unions and management. A budget development calendar was developed and a budget information document was developed to help the employees and the board understand the budget. The district books are on-track for a timely closing which will be the first time in several years.
- 1.b. The LACOE has not expressed any concerns regarding the 99/00 budget or the disclosure statement provided by the district. The district continues to work closely with the LACOE.
- 1.c. The district, as a result of improved business practices, is now able to respond to inquiries made by the LACOE in a timely manner.

### Standard Implemented: Partially

Previous Rating: 0  
Self Rating: 5  
New Rating: 5



# 7.7 Budget Adoption, Reporting and Audits – Audit Administration and Resolution – Audit Resolution

## Professional Standard

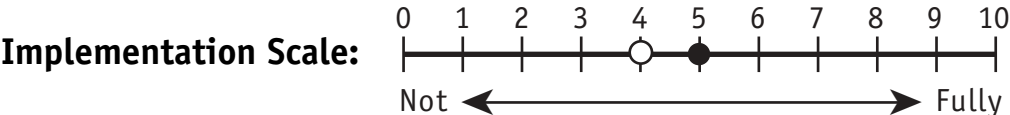
The district should include in its audit report, but not later than March 15, a corrective action for all findings disclosed as required by Education Code Section 41020.

## Progress on Recommendations and Recovery Steps

- 1. The district only recently received the final audit from the controller’s office. Therefore the responses will be submitted as soon as possible given the lateness of the report. This is a continuous problem and is not within the authority of the district to resolve.
- 2. The district will respond to the audit findings in a timely manner. Audit findings have been reduced from previous years.
- 3.a. The district is in the process of developing a Fiscal/Accounting Procedures Manual.
- 3.b. This personnel resolution is being provided by the Human Resources Division. Communication between this Division and the Division of Business and Administration needs to be improved.
- 3.c. The district has contracted with a consulting firm to reconcile the clearance fund as it is beyond the skill level of the current staff. Provisions have been made to reconcile these accounts in-house once they have had this initial reconciliation.
- 3.d. The district had developed plans to use the Gilbert Accounting Manual to provide schools with the in-service training necessary to provide adequate controls for the student body funds.
- 3.e. The district has resolved this issue and has been documented in the audit report. The district’s total liability is now calculated using individual employee accrued absence data.

## Standard Implemented: Partially

Previous Rating: 4  
Self Rating: 5  
New Rating: 5



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## 8.1 Budget Monitoring – Encumbrance of Overexpenditures

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### Professional Standard

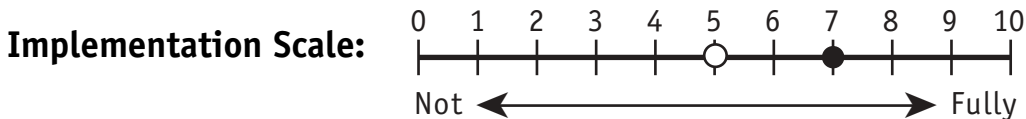
All purchase orders are properly encumbered against the budget until payment.

### Progress on Recommendations and Recovery Steps

1. The process of overriding the encumbrance system has been stopped. The district currently has in place a system that encumbers all purchase orders. The number of unencumbered purchase orders is down from over 5,000 in 97/98 to less than 100 in 98/99.
2. The procedure of using Code 52 has been eliminated.
3. Payments were late in being processed and these payments were not being encumbered. The payments are now being processed in a timely manner and all payments have been encumbered.
4. The practice of personal reimbursements for district purchases without sufficient budget funds has been eliminated.

### Standard Implemented: Partially

Previous Rating: 5  
Self Rating: 7  
New Rating: 7



# 11.1 Attendance Accounting – Accuracy of Attendance Accounting System

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## Professional Standard

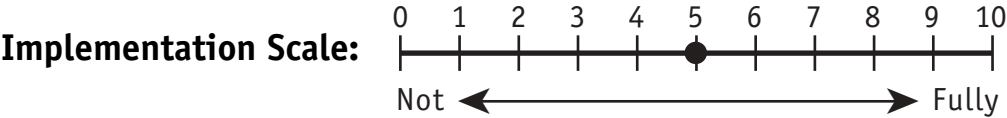
An accurate record of daily enrollment and attendance is maintained at the site and reconciled monthly.

## Progress on Recommendations and Recovery Steps

1. Shared directories on the district file server allow users to view enrollment and attendance information. Staff development meetings were held with site staff members designed to reinforce earlier training and to discuss frequently found problems.
2. A procedure guide still needs to be developed which describes the process for Fiscal Services, the Child Welfare and Attendance Office and the Information Technology Department to share the resources available.

## Standard Implemented: Partially

Previous Rating: 5  
Self Rating: 6  
New Rating: 5



## 11.2 Attendance Accounting – Policies and Fiscal Impact of Independent Study, Inter/IntraDistrict Agreements

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### Professional Standard

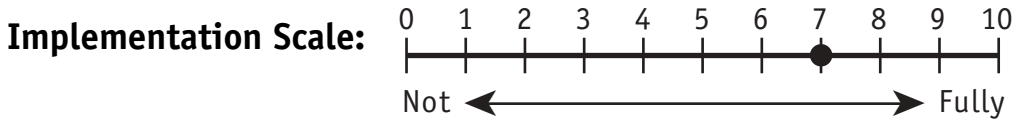
Policies and regulations exist for Independent Study, Home Study, inter/intradistrict agreements and districts of choice, and should address fiscal impact.

### Progress on Recommendations and Recovery Steps

1. Add to the recommendations that the Division of Business and Administrative Services need more involvement in the policies developed by district Child Welfare department.

### Standard Implemented: Partially

Previous Rating: 7  
Self Rating: 7  
New Rating: 7



# 11.3 Attendance Accounting – Enrollment of Students Into Attendance System

## Professional Standard

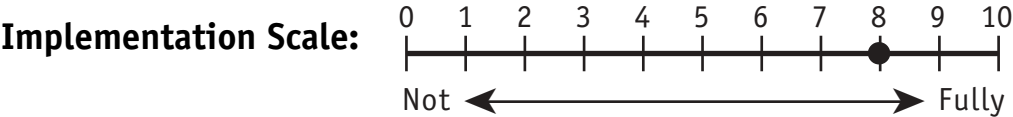
Students should be enrolled by staff and entered into the attendance system in an efficient, accurate and timely manner.

## Progress on Recommendations and Recovery Steps

- 1. Monitoring is conducted and corrections are made into the attendance accounting system during each school month. Each school month has two preliminary and a final report generated. Student directories are generated for each school on a quarterly basis. This constant and regular monitoring and reporting allows the district to ensure that students are enrolled and entered into the attendance accounting system in an efficient, accurate and timely manner. Continued monitoring of this program will indicate if this practice is being sustained.

## Standard Implemented: Fully - Substantially

Previous Rating: 8  
Self Rating: 9  
New Rating: 8



## 11.4 Attendance Accounting – Instructional Time Requirements

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### Professional Standard

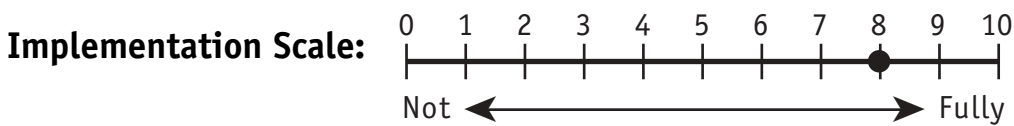
At least annually, the school district should verify that each school bell schedule meets instructional time requirements for minimum day, year and annual minute requirements.

### Progress on Recommendations and Recovery Steps

1. Bell schedules are on file from each school summarizing the number of instructional minutes.  
Continued monitoring of these schedules will determine if these practices are sustainable.

### Standard Implemented: Fully - Substantially

Previous Rating: 8  
Self Rating: 9  
New Rating: 8



## 11.5 Attendance Accounting – Attendance Systems for Alternative Programs

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### Professional Standard

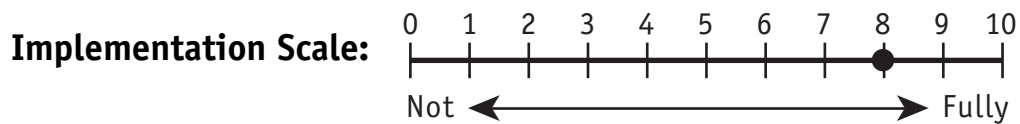
Procedures should be in place to ensure that attendance accounting and reporting requirements are met for alternative programs, such as ROC/P and adult education.

### Progress on Recommendations and Recovery Steps

1. Monthly attendance accounting reports are collected from both the ROP and Adult Education programs. Continued monitoring will determine if this practice is sustainable.

### Standard Implemented: Fully - Substantially

Previous Rating: 8  
Self Rating: 8  
New Rating: 8



## 11.6 Attendance Accounting – Attendance Improvement Programs

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### Professional Standard

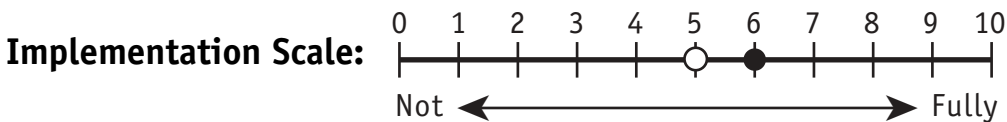
The district should have standardized and mandatory programs to improve the attendance rate of pupils. Absences should be aggressively followed-up by district staff.

### Progress on Recommendations and Recovery Steps

1. The district has implemented some new strategies for improving attendance such as memos from the State administrator to site principals regarding site responsibilities for attendance improvement. An “Actual Attendance Plan for 98/99” was provided that was easy to read. No evidence of implementation was provided.
2. Documentation was provided of school-by-school collection of data showing interventions at both school sites and the Child Welfare and Attendance Office.

### Standard Implemented: Partially

Previous Rating: 5  
Self Rating: 9  
New Rating: 6



## 12.3 Accounting, Purchasing and Warehousing – Accounting Procedures – Cash

### Professional Standard

The district should forecast its revenue and expenditures and verify those projections on a monthly basis in order to adequately manage its cash. In addition, The district should reconcile its cash to bank statements and reports from the county treasurer reports on a monthly basis.

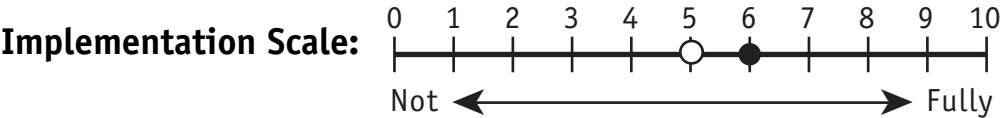
Standard accounting practice dictates that, in order to ensure that all cash receipts are deposited timely and recorded properly, cash be reconciled to bank statements on a monthly basis.

### Progress on Recommendations and Recovery Steps

1. The district now utilizes a check log. Checks are logged in then they are sent to receivables.
2. The district has outsourced this function to VTD because cash reconciliation is so far behind. After July 1, general accounting will once again assume this responsibility.

### Standard Implemented: Partially

Previous Rating: 5  
Self Rating: 6  
New Rating: 6



## 12.5 Accounting, Purchasing and Warehousing – Accounting procedures — Supervision of Accounting

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### Professional Standard

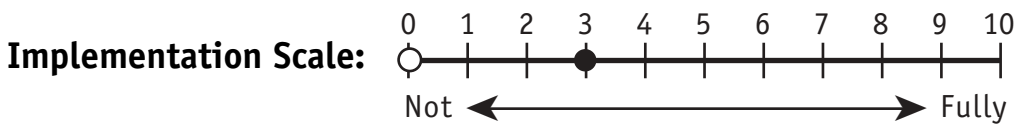
Standard accounting practice dictates that the accounting work should be properly supervised and work reviewed in order to ensure that transactions are recorded timely and accurately, and allow the preparation of periodic financial statements.

### Progress on Recommendations and Recovery Steps

1. The district has completely reorganized the Division of Business and Administrative Services.
2. The analysts now have responsibility for a unit or section and supervision is much more immediate and timely.
3. Desk responsibilities have been identified. Each employee was evaluated as to their skill levels and appropriate training was provided. Each employee received individual counseling. The training program was provided by the senior director directly as quality control was of the essence this first training round.
4. The general and subsidiary ledgers are being reconciled on a monthly basis to ensure the accuracy of transactions posted.
5. The district is attempting to establish procedures for the budget manager to produce monthly budget reports that would be utilized by district administration and program and department managers to monitor their individual budgets. This has not been implemented as of the date of the review.

### Standard Implemented: Partially

Previous Rating: 0  
Self Rating: 3  
New Rating: 3



# 13.1 Student Body Funds – Management of Student Body Funds

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## Legal Standard

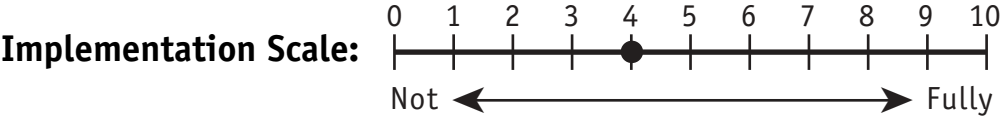
The governing board adopts policies and procedures to ensure compliance regarding how student body organizations deposit, invest, spend, raise and audit student body funds. [EC 48930-48938]

## Progress on Recommendations and Recovery Steps

- 1. The district has developed plans to use the Gilbert Accounting Manual to provide schools with the in-service training necessary to provide adequate controls for student body funds.
- 2. The oversight of the student body funds should rest with school operations as that division directly supervises the principals.

## Standard Implemented: Partially

Previous Rating: 4  
Self Rating: 4  
New Rating: 4



## 13.4 Student Body Funds – Internal Audit Functions

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### Professional Standard

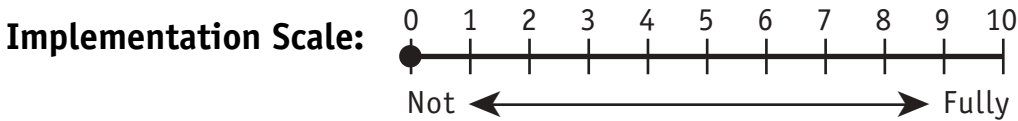
In order to provide adequate oversight of student funds and to ensure the proper handling and reporting, the California Department of Education recommends that internal audits be performed. Such audits should review the operation of student body funds at both district and site levels.

### Progress on Recommendations and Recovery Steps

1. The district has developed plans to use the Gilbert Accounting Manual to provide schools with the in-service training necessary to provide adequate controls for student body funds.

### Standard Implemented: Not

Previous Rating: 0  
Self Rating: 0  
New Rating: 0



## 14.3 Multi-Year Financial Projections – Use of Projections in Planning and Decision-Making

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### Legal Standard

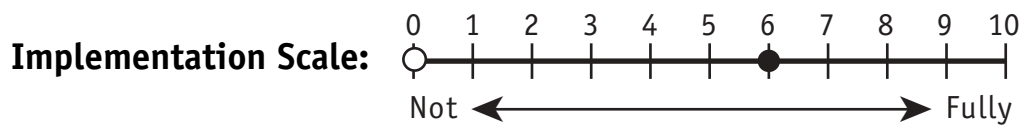
Multi-year financial projections should be prepared for use in the decision-making process, especially whenever a significant multi-year expenditure commitment is contemplated. [EC 42142]

### Progress on Recommendations and Recovery Steps

1. The district was able to provide the review team with reliable multi-year projections. The district has plans for updating the five-year recovery plan.

### Standard Implemented: Partially

Previous Rating: 0  
Self Rating: 5  
New Rating: 6



## 17.1 Management Information Systems – Planning and Fiscal Input

### Professional Standard

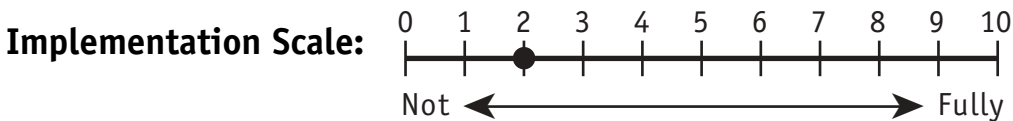
There should be a process in place for fiscal input and planning of the district technology plan. The goals and objectives of the technology plan should be clearly defined. The plan should include both the administrative and instructional technology systems. There should be a summary of the costs of each objective and a financing plan should be in place.

### Progress on Recommendations and Recovery Steps

1. The district technology plan has been updated; however, it has not been integrated within the organization and there has not been any coordination among the divisions.

### Standard Implemented: Partially

Previous Rating: 2  
Self Rating: 2  
New Rating: 2



# 17.2 Management Information Systems – Needs Assessment

## Professional Standard

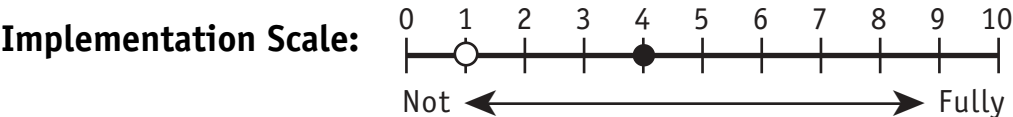
Management information systems must support users with information that is relevant, timely, and accurate. Needs assessments must be performed to ensure that users are involved in the definition of needs, development of system specifications, and selection of appropriate systems. Additionally, district standards must be imposed to ensure the maintainability, compatibility, and supportability of the various systems. The district must also ensure that all systems are compliant with the new Standardized Account Code Structure (SACS), year 2000 requirements, and are compatible with county systems with which they must interface.

## Progress on Recommendations and Recovery Steps

1. The district has committed funds to the upgrade of the business application workstations at the school sites. Further, the district is utilizing Enterprise Architecture Planning. EAP will define architectures for the use of information in support of the district’s business plan and the plan for implementing those architectures.
2. A director of the information technology department has been selected.
3. The district is conducting a two-pointed approach to the Year 2000 issue. They are conducting a survey of the business equipment in the district in order to determine those pieces of equipment which can be supported into the year 2000 as well as identifying the vulnerability of all business systems in the district.
4. The district’s AS400 has been upgraded from the Model E-50 to the Model 720.
5. The Novell network has been patched. The district is the process of replacing this system.
6. The Assistant Superintendent for business services for the district sits on the District Advisory Committee (DAC) organized by LACOE. The LACOE has assured the DAC that the PBAS and HRS systems will be 2YK and SACS compliant.

## Standard Implemented: Partially

Previous Rating: 1  
Self Rating: 4  
New Rating: 4



## 17.3 Management Information Systems – Automation and Computerization of Financial Reports and Systems

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### Professional Standard

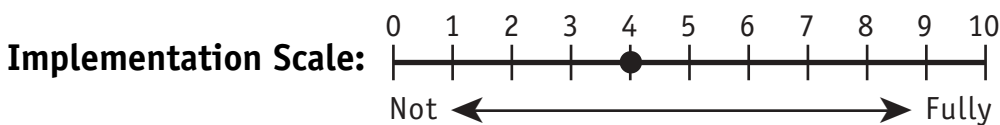
Automated systems should be used to improve accuracy, timeliness, and efficiency of financial and reporting systems. Needs assessments should be performed to determine what systems are candidates for automation, whether standard hardware and software systems are available to meet the need, and whether or not the district would benefit. Automated financial systems should provide accurate, timely, relevant information and should conform to all accounting standards. The systems should also be designed to serve all of the various users inside and outside the district. Employees should receive appropriate training and supervision in the operation of the systems. Appropriate internal controls should be instituted and reviewed periodically.

### Progress on Recommendations and Recovery Steps

1. The district has cooperated with LACOE's Y2K testing of their PBAS system.
2. The formulation of the Districts Enterprise Architecture Plan will identify the needs of the automation and computerization of financial reports and systems.
4. The district continues to support the administrative and technology plans by providing dollars for the use of contracting with the trainers of new and existing systems.

### Standard Implemented: Partially

Previous Rating: 4  
Self Rating: 5  
New Rating: 4



# 17.4 Management Information Systems – Cost/Benefit Analyses and Comparisons

## Professional Standard

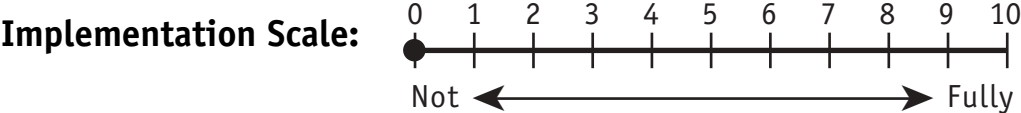
Cost/benefit analyses provide an important basis upon which to determine which systems should be automated, which systems best meet defined needs, and whether internally generated savings can provide funding for the proposed system. Cost/benefit analyses should be complete, accurate, and include all relevant factors.

## Progress on Recommendations and Recovery Steps

- 1. The district needs to automate in order to implement a cost/benefit analyses on future purchase decisions.

## Standard Implemented: Not

Previous Rating: 0  
Self Rating: 0  
New Rating: 0



## 17.6 Management Information Systems – Implementation and Training

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### Professional Standard

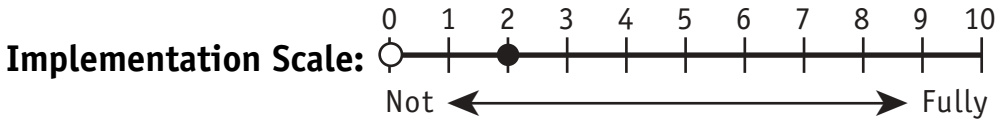
Major technology systems should be supported by implementation and training plans. The cost of implementation and training should be included with other support costs in the cost/benefit analyses and financing plans supporting the acquisition.

### Progress on Recommendations and Recovery Steps

1. The district has identified a set of standards for the acquisition of business workstations and servers. This standardization will allow the district to become more efficient by limiting the types of systems which will need service and limiting the amount of training for the end users.

### Standard Implemented: Partially

Previous Rating: 0  
Self Rating: 1  
New Rating: 2



# 18.2 Maintenance and Operations Fiscal Controls – Work Order System

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## Professional Standard

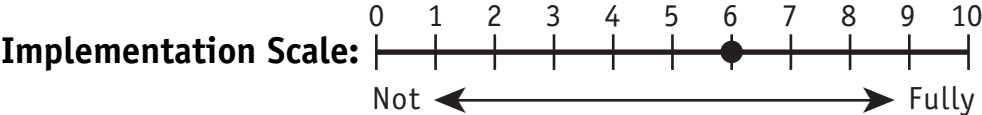
The district should have a work order system that tracks all maintenance requests, the worker assigned, dates of completion, labor time spent and the cost of materials.

## Progress on Recommendations and Recovery Steps

- 1. No documentation provided. Should be covered in the facilities area.

## Standard Implemented: Partially

Previous Rating: 6  
Self Rating: 6  
New Rating: 6



## 19.1 Food Service Fiscal Controls – Fiscal Policies and Procedures

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### Professional Standard

In order to accurately record transactions and to ensure the accuracy of financial statements for the cafeteria fund in accordance with generally accepted accounting principles, the district should have adequate purchasing and warehousing procedures to ensure that:

1. Only properly authorized purchases are made consistent with district policies, federal guidelines, and management direction.
2. Adequate physical security measures are in place to prevent the loss/theft of food inventories.
3. Revenues, expenditures, inventories, and cash are recorded timely and accurately.

### Progress on Recommendations and Recovery Steps

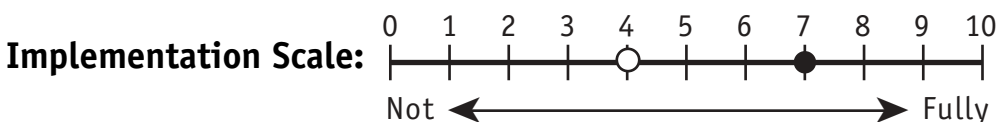
- 1.a. The bids and purchases are processed through the regular purchasing procedures and department.
- 1.d. Supervisors monitor produced versus prepared meals. Comparisons are also made between the identified order and what the warehouse has filled. Updated job description are needed. A site-based perpetual inventory will be instituted in September 1999.
- 1.e. The district has designated a staff person to provide assurance that the inventory actually exits and the counts are proper.
- 1.f. The vendor bidding and selection processes are being handled by the purchasing department, and accounts payable and bank reconciliations are being processed through the business office.

The district in 92/93 opted to use provision 2 counts as they allow the district to utilize their base rate for eligibility. Compton has a very high rate. The district again in 98/99 chose this option based on the census information. These high counts are a result of some very prudent decisions.

- 1.g. The district was unaware that the revenues needed to be deposited at least monthly. The district plans to implement the legal requirement.
- 1.h. Currently, the review of gross profit (revenue-expenditures) is not in place.
- 2.c. The district currently requires that staff sign the inventory sheets and forward the original to the district office for reconciliation. The district needs to develop a current procedures manual.

### Standard Implemented: Partially

Previous Rating: 4  
Self Rating: 10  
New Rating: 7



# 19.2 Food Service Fiscal Controls – Program Compliance

## Professional Standard

The district should operate the food service programs in accordance with applicable laws and regulations.

## Progress on Recommendations and Recovery Steps

1. The National School Lunch Program provided a favorable response to the district’s response concerning base year documentation.
2. The site indicated, by the original audit, it in actuality was not a new site.
3. Daily meal count procedures are in conformance with NSL procedures and consistent throughout the district. The original audit detected an isolated error where a duplicated count was sent to the district. This has since been corrected.
4. The counts that were reviewed concerning this recommendation were combined by LACOE. This has since been corrected. This validates the need for the district to monitor these counts at all levels.

## Standard Implemented: Partially

Previous Rating: 0  
Self Rating: 10  
New Rating: 6

