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August 20, 2015

Office of the State Comptroller  
PSU – CAP Submission  
110 State Street, 12th Floor  
Albany, NY 12236.

Unit Name: Buffalo City School District

Audit Report Title: Oversight of Field Activities at the Service Center for the period of July 1, 2011 through August 15, 2014

Audit Report Number: 2014M-270

For each recommendation included in the audit report, the following are our corrective actions taken or proposed.

### **AUDIT RECOMMENDATION:**

Adopt written policies and procedures governing the supervision of field employees from the IT and Plant Departments who work at the Service Center. These policies should include the following provisions:

- Field employees should maintain time records indicating the actual hours worked, and these records should be certified by the employees and a direct supervisor.
- Overtime should be preapproved and documented. Documentation should include the names of individuals who will work the overtime and certification by the employees and a direct supervisor.
- Supervisors should ensure that field employees complete their work in accordance with established standards.

### **Implementation Plan of Action(s):**

The District intends to implement several corrective actions for this recommendation that will incorporate changes in technology, procedure and staffing.

1. Recruit a Chief Operating Officer (COO) who will be headquartered at the Service Center. The COO will be responsible for supervising all functions and employees that are based at the service center, including Plant, Trades, Inventory, Transportation, and Laborers. The District believes that supervision of staff at the Service Center should be at this level of authority and that the position should be based at the Service Center. Related to this, certain job duties and functions

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that are currently reporting through the IT Department are to be modified, with some remaining in the IT Department and others aligning under the COO. The expected implementation date is October 2015, with responsibility for hiring the COO resting with the Superintendent of Schools. The COO will then have overall responsibility for formalizing policies and procedures related to supervision of field staff based at the Service Center, with an expected implementation date of March 2016.

2. The District is investing considerable resources in implementing an electronic payroll system that is expected to eliminate the deficiencies inherent in the current paper based system. It will be the expectation of the District to implement the functionality of this electronic system to its fullest extent District wide; however, the implementation will be completed in phases over time. Upon the tentative go-live date of October 2015, the expected functionality of the system will include the ability to track the locations where employees have signed in, the start and end times of their work and the actual sign off of their managers for all time entered into the system. All District staff, will be directed to swipe in at each District location they visit immediately upon arrival and again at the end of the day. Managers will approve their staff's payroll electronically, thus capturing both the employee and manager certifications in the electronic system where it will be kept for audit purposes. Overtime pre-approvals, overtime start and end times, and a potential tie in with the work ticket system (see the recommendation below discussing review of work orders) will be in the next phase of implementation, which will begin after the initial go live date in October 2015. Geoffrey Pritchard, Interim Chief Financial Officer will be responsible for the implementation of the electronic payroll system.
3. In advance of implementing all phases of the electronic payroll system, a manual process will be used for overtime. As our current procedures require, overtime must be pre-approved by management and pre-approvals must be submitted with the overtime records to the Budget Department. Start and end times of overtime must be included and all employees receiving overtime will be directed to sign off on the overtime submission. The Budget Department will be directed to report any instances of overtime not being pre-approved or not having an allowable exception (e.g. emergency life/safety issue) to the submitting department, who will respond accordingly, with a copy to the Interim Chief Financial Officer. This will be implemented in September 2015 with responsibility resting with Geoffrey Pritchard, Interim Chief Financial Officer.
4. The District has also implemented GPS technology in all District vehicles and GPS technology is also being used on some District cell phones to track the whereabouts of field employees. This information, the payroll system noted above, and the changes in the work ticket process, which will be outlined below, will allow department managers to use several sources of data to monitor and track employees' location and time. Monitoring of the GPS vehicle and phone data will be the responsibility of the individual departments; however, the Finance and Claims Audit Departments will review and audit the GPS data. This item has been implemented effective August 2015, with responsibility resting with Joseph Giusiana, Executive Director of Plant Services, for the Plant Department and Sanjay Gilani, Chief Technology Officer, for the IT Department and Geoffrey Pritchard, Interim Chief Financial Officer, for the Finance and Claims Audit Departments.
5. The District will implement security card access and security cameras at the Service Center to improve security and increase staff accountability. Projected implementation date is June 2016. Responsibility for this item is with Joseph Giusiana, Executive Director of Plant Services.

**Implementation Date:**

Please see the numbered actions above for implementation dates.

**Person Responsible for Implementation:**

Please see the numbered actions above for responsibility.

**AUDIT RECOMMENDATION:**

Implement a process for reviewing work orders to ensure they are completed timely and that the individual who completed a work order is correct.

**Implementation Plan of Action(s):**

The District intends to implement several corrective actions for this recommendation that will incorporate changes in technology, procedure and staffing.

6. The Plant Department has implemented several procedure changes to improve the accountability of the work order process. Plant department tradesmen are using iPads to update their work orders while in the field and have also been directed to detail the dates and times spent by all staff, the materials used, and the actions taken on each work order. Shop coordinators will review the individual work orders. The Executive Director of Plant Services will spend significant time in the field supervising the staff directly. As noted previously, there are additional technology measures (e.g. Payroll system, and GPS technology) in place to monitor the staff as well. By October 2015, the Plant Department will prepare an updated procedure manual outlining these and other procedures in place and it will be reviewed by the Interim Chief Financial Officer. Responsibility for this item is with Joseph Giusiana, Executive Director of Plant Services.
7. The IT Department is implementing several procedure changes to improve the accountability of the work order process. IT technicians have been directed to provide daily projected travel routes based on their anticipated work orders. IT Technicians have also been directed to detail the dates and times spent by all staff, the materials used, and the actions taken on each work order. The IT Technicians also prepare a daily summary report of work done. As noted previously, there are additional technology measures (e.g. Payroll system, and GPS technology) in place to monitor the staff. To review the work of the IT Technicians, a new position has been proposed to directly supervise the IT Technicians and monitor the productivity and aging of work orders. The Manager of System Operations will also have supervision of the overall process. By October 2015, the IT Department will prepare an updated procedure manual outlining these and other procedures in place to be reviewed by the Interim Chief Financial Officer. Responsibility for this item is with Sanjay Gilani, Chief Technology Officer.
8. The Plant and IT Departments have been directed to develop procedures for benchmarking the work orders against industry standards, past similar work orders, along with other available productivity metrics to ensure they are being completed efficiently. By March 2016, the Plant and IT Departments will prepare formal procedure documents outlining this for review by the Interim Chief Financial Officer. Responsibility for this item is with both Joseph Giusiana, Executive Director of Plant Services and Sanjay Gilani, Chief Technology Officer.
9. The existing work order software will be analyzed and compared to other potential systems to ensure it can continue to meet the needs of the District. This review process is expected to be completed by the June 2016, with a recommendation to continue using the current system or transition to a new system coming shortly thereafter. Responsibility for this item is with Sanjay Gilani, Chief Technology Officer.

**Implementation Date:**

Please see the numbered actions above for implementation dates.

**Person Responsible for Implementation:**

Please see the numbered actions above for responsibility.

**AUDIT RECOMMENDATION:**

Ensure that IT Department supervisory personnel monitor the work performed by IT vendors to ensure that the work meets contractual requirements and provides a benefit to the District and taxpayers.

**Implementation Plan of Action(s):**

10. The IT Department is implementing a more formalized review process for the work of IT vendors. The IT department has been directed to ensure that contractual scopes of service are sufficiently detailed to measure the work of the vendor and allow for an independent review. The IT Department will hold and document regular meetings with vendors to review and assess their work. Vendors will also be required to itemize their services in a sufficient level of detail such that an independent person without knowledge of the work done could reasonably be expected to understand or audit what had happened by reviewing that detail and other supporting information available (e.g. contracts, project logs, deliverables, work tickets, time logs, etc.) This detailed documentation will generally be organized by day and collected in periods that correspond to the actual vendor invoicing. Part of the review will be an assessment of the quality of the work against established metrics and this review will be formally memorialized at the conclusion of each contract period when the final vendor payment is made. The end result is that when an invoice is submitted for payment, it will contain detailed documentation supporting the services done, the documentation will have been reviewed with the vendor, it will agree back to the contractual scope of work with the vendor, the detail will tie to the amounts billed, and an assessment will be made and documented as to the value of services provided. The implementation date is September 2015. Responsibility for this item is with Sanjay Gilani, Chief Technology Officer.
11. Monitoring of this vendor review process will be done by the Finance and AP/Claims Audit Departments through their review of contracts and submitted invoices. The Finance Department reviews all IT Department contracts and will push back any contracts where the scope of service is determined to be inadequate. AP/Claims Audit Department will review documentation submitted for sufficiency based on the procedures above and will periodically perform audits of individual transactions or events invoiced to ensure the work was satisfactorily completed. Additionally, this monitoring program will not be limited to the IT Department, but rolled out to the entire District. The initial implementation date is September 2015. Responsibility for this item is with Geoffrey Pritchard, Interim Chief Financial Officer.

**Implementation Date:**

Please see the numbered actions above for implementation dates.

**Persons Responsible for Implementation:**

Please see the numbered actions above for responsibility.

Respectfully Submitted,

Darren J. Brown  
Interim Superintendent

James M. Sampson  
Board President