

**Subject:** Audit of School Plant Department

**To:** Caddo Parish School Board Members  
Superintendent of the Caddo Parish School Board

**From:** Jeff Howard, Chief Internal Auditor

**Audited By:** Kelli Duffield, Internal Auditor

**Date:** August 22, 2012

**Authority for the Audit**

This audit was conducted under the authority granted by the policies DIE and DIE-R of the Caddo Parish School Board (CPSB).

**Background**

The School Plant Department consists of the Maintenance, Energy Management and Custodial divisions. A separate audit was conducted in the fall of 2011 for Energy Management. The School Plant Department employs a director, two supervisors and three office support personnel. There are approximately 120 employees in the Maintenance division, one energy manager, and approximately 368 employees in the Custodial division. The Maintenance division processed 20,255 work orders for the 2011/12 school year, which represents 98% of work orders requested.

The annual budget for School Plant was \$34,831,050 for 2010/11 and \$33,474,600 for 2011/12, excluding Utilities and Operations, which were previously audited. The School Plant Department services approximately 90 building sites in the district.

According to the Parsons Comprehensive Facility Study completed in 2010, Caddo Parish Schools are an average of 59 years old, which is 17 years older than the national average and 22 years older than the southeast regional average. Of the 79 schools assessed in the Parsons study, 73% were in poor condition. The study reported that the general maintenance and repair of the facilities was good, however the maintenance group is coping with many obsolete building systems and materials. Caddo Parish school buildings are overall in poor condition according to the Parsons study. This increases the need for additional maintenance and custodial staff to compensate for the condition of the buildings. A long term building plan should be addressed in coordination with the budgeting process to ensure adequate funding for building maintenance needs.

Scope of the Audit

The objective of our review was to determine if the School Plant Department is managing and utilizing its resources in an effective and efficient manner and if the department is in compliance with applicable laws and Board policy. Our examination included interviews with personnel, observation of procedures by shadowing employees, and other tests of details we considered necessary in the circumstances.

Opinion

In our opinion, the School Plant Department can be improved, resulting in cost savings for the district and compliance with Board policy. The following findings and recommendations are presented in order to help improve the operation of this department to ensure efficient and effective use of our resources and timely and accurate reporting of information.

The assistance provided by the Director of School Plant was very helpful and greatly appreciated. The department's cooperation and professionalism through the process was instrumental in many of the recommendations in this report.

**CADDO PARISH SCHOOL BOARD  
SCHOOL PLANT DEPARTMENT**

**FINDINGS AND RECOMMENDATIONS**

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**Work Orders (1)**

The Maintenance Direct/Preventive Maintenance modules of School Dude software were purchased in November 2010 at a cost of \$8,779.16. Initial training for the modules was \$7,600. It was renewed in June 2011 for \$15,050 and \$18,150 in June 2012. The wireless module was added in 2012. This software replaced the in-house system created by the CPSB I.T. Department.

The software is used to track work orders, is web based and can be used by all schools. There is an email tracking capability within the software that allows users to see the status of their work order. Work orders are initiated at the school level by either the school bookkeeper or head custodian. The foreman or director assign the work orders to individual workers based on their craft, e.g., plumbing work orders would be assigned to plumbing technicians. The supervisor of each division monitors the progress and outstanding work orders to ensure foremen are timely. Parts/supplies for work orders are obtained through p-cards if <\$1,000 and on a purchase order if >\$1,000. The cost for the parts/supplies is allocated to the work order online by the individual assigned. Work orders are closed out by technicians or foremen after the job is finished and the problem has been resolved. Work orders cannot be closed without a cost applied.

All technicians and foreman have either a smart phone or net book in order to receive, process and close work orders each day. As work orders come in during the day they are disseminated to the technicians in real time. Each technician has a 'my work' inbox on their smart phone and receives work orders electronically throughout the work day. The department's goal to be paper free has almost been met. Once a work order is initiated at the school level an email is sent to the initiator every time there is a change to the work order. Once the work order is closed an email is sent as well. This lets the person entering the work order know the work has been completed. The School Plant director visits every school each month and reviews work orders in progress either with the head custodian or the principal. He double checks all work orders to make sure the work is complete and timely. They are also working to transition the work order entry from the bookkeeper to the custodians.

There are approximately 700-800 work orders in progress each day. About 100 of those are annual work orders that stay open all year, e.g., mowing at a school. The total closed work orders for the year was approximately 19,000. The Maintenance Department has a 98% process rate at the fiscal year end. This means approximately 98% of all open work orders were processed.

A sample of work orders was pulled and examined for timeliness of completion as well as coding. These work orders are currently not reconciled to the actual expenses on the general ledger for labor hours or material expenditures. We pulled a sample of employees for the

1/7/2012 - 1/20/2012 time period and reviewed work orders processed by them. The labor assigned to the work orders did not match the time cards, and the total labor assigned was well below the time actually worked. None of the foreman's time was allocated to any work orders.

### **Recommendation (1)**

The Maintenance Direct module is being used effectively and employees are able to receive information quicker resulting in quicker response time for work orders. The software is web based and can be accessed remotely from any location. This has enabled the department to become almost paperless with regard to work orders. The department should continue to fine tune the work order process by ensuring labor hours are properly allocated to jobs performed. A code for training, paperwork, etc should be created so that employees are able to accurately charge time at work. The goal should be 100% allocation. This will enable the department to analyze efficiency with regard to specific projects and individual employee performance. This is a 'business world' approach and will result in profitability for the department as a whole.

### **Payroll/Overtime (2)**

Custodian hours are entered at the school level, except in the summer, when the Custodial Supervisor goes to each school and collects the time so it can be entered by the School Plant secretary. PR2's come in to the secretary at the warehouse for subs, and all are approved by the Custodial Supervisor.

Each Maintenance employee has a card they use to clock in and out each work day. The cards are kept locked in a foreman's office. The offices are opened in the morning and afternoon. Employees work from 7:30 am to 4:00 pm with a 30 minute lunch each day. Any overtime or call out pay must be pre-approved by the foreman. Call out pay is a minimum of 2 hours, and call outs in excess of 2 hours are recorded in actual time. This is also approved by the foreman. A time adjustment slip is turned in documenting the overtime worked. The time is recorded in the system, and a report is generated every two weeks by a secretary showing each employee's time in, out, holiday and overtime. Overtime worked can either be taken in pay or in comp time. This is documented and approved on the time adjustment slip. If the employee chooses to bank their comp time, it is recorded on a continuous spreadsheet.

Time is recorded by an electronic time clock which automatically adjusts for a 30 minute lunch. If an employee clocks out before 4:00 pm, the system shows this time on the report as miscellaneous and the secretary records it as either sick, comp, or vacation. Each employee must turn in an absence slip each time they do not clock in or clock out early. These slips are approved by the employee's foreman and kept on file.

In the old payroll system, Maintenance time records could not be interfaced, and time worked and time off had to be entered into the payroll system manually. In the new SunGard system the secretary will enter absences like all other departments, and there will be no need for this manual process. Any extended sick leave employees will continue to be adjusted in the payroll system by a central office employee.

We pulled a sample of timesheets and compared them to hours actually paid from a payroll printout. Some of the comp time earned or used did not trace to the spreadsheet kept on file. There were multiple absence slips missing. Sick time/vacation/upr/comp time was hand written on some of the timesheets. There were several timesheets where the employee did not clock out, and the time was written in. There were no adjustment slips on file for these instances.

We obtained a maintenance earnings report for the time period of 7/1/11-3/31/12. The report shows gross pay and extra work. Of the gross salary paid of \$3,391,483.27, less than 4% of the total was for extra work. We selected seven employees whose extra work was greater than 13% of gross pay. All instances of extra pay were reasonably explained by the Director. We reviewed overtime for all foremen. According to the Director, 99% of all extra work that foreman do is due to emergency callouts. They do not get overtime for regular week to week activities. The total extra pay for the five foremen was \$10,905 for the nine month period. The overtime slips in the sample were not all on file. Also, they were not all signed and some were signed by the employee themselves and not their immediate supervisor.

### **Recommendation (2)**

All time adjustment slips must be signed either by a foreman or, if the foreman is working the overtime, the foreman's supervisor. No overtime should be paid until the documentation is provided to support the overtime. Any time off work should be recorded on an absence slip and approved by the employee's immediate supervisor. Absence slips should be used to record all sick, vacation, upr and comp time used. They should be approved by the employee's immediate supervisor and kept on file. Foreman should not sign their own absence slips. The foreman's supervisor should approve these slips.

### **Vehicle Policy (3)**

Vehicle Use Policy (Excluding School Buses) EEBB/EEBA addresses school board owned vehicles and the use of personal vehicles in the performance of employment with the school system. The following points are addressed in the policy as it relates to School Plant.

1. **TAKE-HOME VEHICLE ASSIGNMENT** – *"An employee to whom a vehicle is assigned shall sign a statement acknowledging receipt of the Vehicle Use policy. The Chief Operations Officer and the employee should maintain a copy of the employee's acknowledgement on file."*

Auditing requested a copy of employee acknowledgements from the Chief Operations Officer's Office and none were provided. The current Director indicated that he would send updated signed copies to the COO.

There are currently seven take home vehicles in the School Plant Department. Of the seven take home vehicles, only three employees' W2's were adjusted by the Payroll Department to reflect the personal use of a company vehicle.

2. **PREVENTIVE MAINTENANCE** – *“Preventive maintenance is the responsibility of the assigned driver.”*

Oil changes, fluid levels, and inspections should be monitored by the driver. Auditing requested supporting documentation on the preventive maintenance of the vehicles, but none was provided.

3. **MOTOR VEHICLE DRIVING RECORD REVIEW** – *“The school board shall periodically request from the Louisiana Department of Public Safety a copy of the driving record of each employee whose position requires operation of a vehicle.”*

Auditing requested supporting documentation for compliance from Transportation and none was provided.

In addition to the Vehicle Use Policy, the School Board has an agreement with Fuelman for fuel for School Board vehicles. Each vehicle is assigned a unique card which tracks mileage and MPG information. Employees authorized to use Fuelman cards are issued a personal identification number that records their use of the card. Fuelman provides an exception report, which highlights any MPG irregularities. The directors are responsible for reviewing these reports. In 2011/12, the district disbursed approximately \$611,000 on fuel for the School Plant Department. This includes vehicles as well as groundskeeping equipment. Each time the employees fuel their vehicle, the Fuelman program requires them to enter the odometer reading. The accuracy of the odometer reading is critical, because it provides the administration with the MPG data that is needed to identify potential problems (theft of product or maintenance issues). The reports provide an exception code each time an employee inputs an odometer reading that is out of sequence.

Fuelman provided us with a report listing all employees and their exception codes from December 1, 2011 through February 12, 2012. We noted six employees that had five or more exceptions for the period under review. All six employees had “odometer entry out of sequence”. Two employees had “vehicle has exceeded its daily fuel limit”. These two employees drive diesel vehicles. According to the director, there is a 30 gallon maximum on

daily fuel, and it needs to be customized by vehicle due to certain vehicles having bigger gas tanks. These exceptions were given to the director for his review.

We selected 23 employees who had an active PIN number with Fuelman to determine if they were an active employee. Nine employees were no longer active due to retirement, resignation, etc. The nine employees were in the Accounting, Maintenance, Transportation, Communications and Risk Management Departments. The majority of these employees had not used their PIN since 2011, and none had used it after their separation date. We followed up with Transportation and forwarded the spreadsheet from Fuelman for the department to review and clean up. Human Resources should also be involved since this is where the employee begins the separation from the district.

The Transportation Department implemented a procedure which required each employee who received a PIN number for a Fuelman card to sign an agreement which outlined their responsibilities. The agreement has only been signed by employees who have been issued a PIN since the agreement was created. The administration has not required all employees with existing PIN's to sign the agreement. Directors who request PIN's are not provided an agreement that informs them of their responsibility for monitoring their employees who have a PIN. There also has not been any formal or regular training of directors who have vehicles assigned to them for which Fuelman cards are issued.

### **Recommendation (3)**

Signed statements acknowledging receipt of the current Vehicle Use Policy should be obtained and kept on file in the COO's office for all employees to whom a vehicle is assigned. The Director of School Plant should provide a complete listing of all employees who currently have take home vehicles. Payroll should adjust these employees' W2's accordingly for personal use of a CPSB vehicle.

The Transportation Department should keep track of preventive maintenance on all CPSB vehicles. Stickers for oil changes and inspections should be attached to each windshield as reminders to the drivers of CPSB vehicles.

The administration should consider enforcing the motor vehicle driving record review portion of the Vehicle Use Policy for all departments in the district. Currently, it is not being done for employees in any department. A sample could be pulled twice a year and reviewed to ensure compliance with the existing policy. The administration should request that Fuelman provide a quarterly report listing all exceptions by driver. This information should be used to monitor the frequency of errors made by drivers to ensure proper training and evaluation of the drivers' responsibilities.

Employee PIN's must be cancelled as soon as their employment terminates to ensure no unauthorized use. Transportation personnel should obtain a list of employees with an active PIN at least quarterly and review this list to determine if there are any inactive employees on the list. Appropriate procedures should be followed to immediately have their PIN cancelled.

The administration should have every employee who has a PIN sign the new agreement. The Transportation Department should coordinate a meeting with all directors who have employees assigned with PIN's to educate them on how to monitor the use of the card. This issue was also addressed in the Transportation Audit and implementation is in process.

#### **Pre-Employment Drug and Alcohol Testing (4)**

According to Policy GBCB-Staff Conduct (Alcohol/Drug Testing and Treatment), "*All employees whose duties require a commercial driver's license (CDL), or whose principal responsibility includes operating or maintaining a CPSB vehicle, shall undergo an alcohol and drug test prior to the first time the employee performs his job functions for the CPSB.*"

Per Human Resources, no one has been hired in the School Plant Department within the last two years. The Employee Assistance Program (EAP) Administrator stated that there is no testing for pre-employment purposes in the School Plant Department.

#### **Recommendation (4)**

Employees in the maintenance division of School Plant operate and maintain vehicles on a daily basis in order to perform their job duties at locations all across the district. There are approximately 82 fleet cars/trucks in use in the School Plant Department. Seven of the 82 vehicles are take home cars/trucks. Employees selected for employment in the maintenance division of the School Plant Department should undergo an alcohol and drug test prior to the first time the employee performs his job function for the department if the employee will be operating a CPSB vehicle. This should include employees transferring in to the maintenance division and sub employees hired that will be operating a CPSB vehicle.

#### **Random Drug and Alcohol Testing (5)**

According to Policy GBCB-Staff Conduct (Alcohol/Drug Testing and Treatment), "*Random alcohol and/or drug testing for employees in safety/security sensitive positions listed in Part X of this policy shall be performed and administered...*" Employees in safety/security sensitive positions include custodians and maintenance personnel.

Auditing selected 32 employees from an employee listing from the Director of School Plant. Sixteen names could not be traced to the drug/alcohol testing list provided by Data Processing. Fifteen of the sixteen exceptions were either on worker's compensation or a sub-employee. These reports are forwarded to the EAP Administrator who sends the two numeric lists to Willis Knighton (WK). A sample is run by WK and the sample is faxed to the EAP Administrator who in turn notifies the department director. Employees have two hours to report to a WK facility for testing. Auditing selected one week and pulled a sample of names of selected employees to trace



to billing by WK to ensure selected employees actually tested. Two names could not be traced to billing for that time period. There was no documentation as to why the employees were not tested. One employee had resigned the month before and was still in the system and the other employee had been out since the prior year on extended sick leave. No replacement names were selected for these two employees. Currently, there is no reconciliation from the names selected to the actual tests taken (from monthly WK billing). No data is kept of how many school plant employees are tested each year.

There are currently fifteen employees in the two year rehabilitation program because they tested positive for drugs or alcohol. Of the fifteen in the program, nine are in the School Plant Department. All nine employees were full time. One was a result of reasonable suspicion testing, and the other eight were from random sampling. An additional four employees were terminated, resigned after a second positive test, or resigned because they would not complete the rehabilitation program as outlined in the policy. There is no random sampling of School Plant employees in the summer months.

**Recommendation (5)**

A reconciliation of the names randomly selected for testing and the actual tests administered on billing should be performed monthly to ensure compliance for every department.

The policy requires a certain percentage of Transportation employees to be randomly tested for drugs/alcohol an annual basis. The policy does not address a percentage for the School Plant Department. Administration should consider adding a percentage of annual random testing for School Plant employees since the majority of people testing positive are in the School Plant Department. Annual totals should be calculated to ensure percentages are in line with the policy for drug and alcohol tests. When employees are selected for testing and do not test, documentation should be kept on file as explanation. Administration should consider changing the policy to include that no step increase will be given to employees testing positive for drugs or alcohol. Random sampling should continue in the summer months for all twelve month employees.

**Job Related Accident Drug and Alcohol Testing (6)**

According to Policy GBCB-Staff Conduct (Alcohol/Drug Testing and Treatment), *"These standards apply to all employees who are covered by the LA Labor and Workers' Compensation Law. For the purpose of establishing evidence relating to workers' compensation claims, the CPSB shall administer an alcohol and/or drug test to all employees after a job-related accident."*

According to the EAP Administrator, no one has been sent for testing for job related accidents within the last five years. A sample of nine people was pulled from the workers' compensation

aim list obtained from Risk Management. The sample was sent to the [REDACTED] EAP and he indicated none of the people were tested after their date of injury. Six of [REDACTED] have been tested in the past in a random sample with all negative results. [REDACTED] Six of [REDACTED] were not in his database, which means they have never been [REDACTED] in the pool [REDACTED] testing. The hire dates ranged from 3 – 26 years for employees in the sample. There [REDACTED] accident review board to review 'at fault' accidents.

	2010		2011	
	TOTAL # OF ACCIDENTS REPORTED	TOTAL # OF MEDICAL CLAIMS	TOTAL # OF ACCIDENTS REPORTED	TOTAL # OF MEDICAL CLAIMS
	59	39	52	37
REMAN	49	38	42	22
	108	77	94	59
FOR MEDICAL CLAIMS:	\$ 404,838.93		\$ 406,662.02	

the total number of medical claims has decreased from 77 to 59 from 2010, the [REDACTED] of the claims has increased.

**Recommendation (6)**

employees should be alcohol and/or drug tested after a job-related accident according to the current policy. The administration should consider reducing some of the random testing of the maintenance/custodial positions and rewording the policy for random testing. The cost of testing employees after every accident would have been approximately \$4,000 or 11-1% of the cost of medical claims paid. According to policy, "When an employee is injured because of a job-related accident and after alcohol/drug testing, is determined to be intoxicated under the standards set forth in R.S. 23:1081, or the employee refused to submit immediately to such testing, then in accordance with state law such employee shall be presumed to be intoxicated at the time of the accident and be denied workers' compensation benefits in addition to any other disciplinary action that may be authorized."

consideration should be given to creating an accident review board to review 'at fault' accidents. The administration, in conjunction with the Board attorney, should review the possibility of withholding step increases for those employees found to be at fault.

**Director's Response**

Recommendation (1) Training is ongoing and work order data entry is continually improving.

Recommendation (2) Approval protocols have been addressed with all supervisory employees.

Recommendation (3) Updated signed statements have been sent to the COO's office for review. The list of take home vehicles has been sent to the Transportation Department for review and action.