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Loudoun County School Board, Audit Committee Meeting, Wednesday, September 27, 2023

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[00:02:03] Good evening and welcome to the September Audit Committee meeting. I'm the Chair, Harris-Methwee, and I'm joined by Mr. Beatty. And Ms. Ogadegbe has some conflict, so I believe she would not be able to join us tonight.

[00:02:20] With that, the next item on the agenda is public comment. I'm guessing there's no public comment tonight. Okay, we'll move to the meeting minutes. Is there a motion for the approval of meeting minutes?

[00:02:36] Mr. Beatty. Thank you, Chair. I move to approve the minutes from the Monday, June 26, 2023 meeting. Okay, I'll second that. Any questions, comments? No. All those in favor, raise your hand and say aye. Aye. The motion passes with members present and Ms. Ogadecki absent.

[00:02:55] There are no action items tonight. I believe we have one information item, and I think we'll get an update on all the audits that are happening, so I'll pass it on to you, Mr. Woods, to take this. Thank you. All right. Good afternoon and thank you. So I'll just give you a rundown of the audits we're working on and have completed since our last meeting.

[00:03:21] So today I'll go over audits of the Employment Eligibility Verification, Form I-9, the audit of LCPS Fine Arts Stipend, and the Special Education Staffing Needs and Requirement.

[00:03:39] So for the Form I-9 audit, we have completed it. We have just sent it out today with the new LCPS logo.

[00:03:55] And so I'll just quickly go over the audit findings. So based on our audit, there are no critical risk findings in the audit. We do have three findings that we do have.

[00:04:12] One is moderate and the other two are low risk. The one that is moderate is lack of written standard operating procedures. So major business functions should be clearly defined and have a well-written guidance.

[00:04:31] The Form I-9 process has to be done by every employer in the states and is the main item when onboarding individuals from a federal standpoint. So besides your W-4, your Form I-9 is tantamount when you're onboarding.

[00:04:50] And we do not have a written standard operating procedure for that process. And that poses a problem when individuals who do that process no longer are here or something occurs and someone has to go in and fill that role and there's no guidance and there's a brain drain in the absence of those individuals working on that now.

[00:05:13] So that is one thing that we did note on the audit. It's also something that I've noticed other places within LCPS that are outside of this audit. It is something I believe we are working on as part of our strategic goals under two, strategic goal number two.

[00:05:33] So division-wide, we are working on SOPs. But that was the big issue that we saw. And again, even though it was a finding, it is moderate because the individuals who are performing the 4-My-9, they do get training.

[00:05:54] They do understand how to perform 4-My-9s. We sat in there physically to watch in-person boarding where individuals come in with their work authorization documents, whether it's a passport, whether it's a visa, whether it's a driver's license and a birth certificate.

[00:06:12] My team did sit with the HR for two or three hours and just watch them process individuals as they onboard. We also watch when individuals came in without the proper documents. HR will document the items they need to bring.

[00:06:31] They'll reschedule the in-person meeting. The person will go home. They can come back that day. If they can't make it that day, then they just come in and will present the documents before they start. So they do understand the process. It's just we need to have it in writing and clearly defined in case things happen and maybe top management is not unavailable and someone needs to know how to do the job.

[00:06:57] So it's good to have that written. So that was the first finding on that one. The second finding was inaccurate and untimely information in Form I-9. We sampled 49 Form I-9s.

[00:07:15] There were several occurrences where information input into Section 2. So just to give you a little breakdown, Section 1, the employee performs. So they'll send out an email. The employee will go in and electronically fill out Section 1. Once they complete that, a notification in the workflow is sent to HR.

[00:07:34] HR will do Section 2. So employers are responsible for Section 2. There are instances where Form 2 was not timely completed. And so there was just two instances where that happened out of 45, and because there were two instances of that, we determined that the impact was low and the risk was low.

[00:08:03] However, because of that, our recommendation is that HR perform a peer review after a Form I-9 is completed to ensure that it is completed accurately and timely. And because we witnessed them doing the in-person onboarding, I think that they should be able to perform that peer review that day.

[00:08:26] There's two people, or there's two individuals from HR who sit side by side and process four of my nines, and so if I'm processing four of my nines and I complete it, they should easily provide it to the person next to them who can go in and check that day. That way, they don't have a time lapse and then get inundated with a lot of four of my 9s because in the scope period that we reviewed I-9s, which was fiscal year 21 and fiscal year 22, HR completed over 4,500 form I-9s. So they do perform a lot of them, and if they don't perform

[00:09:04] the peer review that day or shortly thereafter, it can very easily back up. And I do think they can perform that the same day. So that was finding number two, and that was low risk. For the third finding, we reviewed employees who are working on employment authorization documents. So those are working visas, individuals who are not citizens, but are allowed to work here in America. And so

[00:09:36] when we pulled those, it quickly became apparent why in the past, prior to going electronic, why there were concerns with the Form I-9. So had we not moved to an electronic format, you can easily see how there were huge deficiencies in the way we process Form I-9s. And so I can see why there were concerns and why we probably should have done this audit. Because prior to 2020, when we performed re-verifications, so if an individual was working on a visa and they came in and provided

[00:10:15] that visa well that visa can be extended or renewed and so when it was time to renew there were a lot of errors or confusion in how to perform those re-verifications and i think that it's not it wasn't just a lcps issue it was a national issue and i i believe that because united states customs and immigration services has completely updated their re-verification form And I think that is because there was a lot of ambiguousness with it and a lot of errors that they hadn't noticed.

[00:10:52] And so even though LCPS did struggle with the re-verification process and there were lots of errors in that process, I don't think it was an LCPS issue. It was a guidance issue from USIS.

[00:11:09] So anything that you see, any Form I-9s prior to 2020 of March are susceptible to having those errors, beginning with the electronic format of IMP Trust, which is EMP Trust. I believe those issues were eliminated, which is why I think that this is a low risk, because we are performing those items or Form I-9 electronically.

[00:11:36] But when we did get to the ADs, it was quickly apparent that, oh, yeah, this is why we're doing the audit, and this is why there were concerns. And so our recommendation there was to not line out accurate historical data.

[00:11:54] And so one of the recurring things that we saw in those Form I-9s is there was accurate data in the Form I-9, and every time they did a re-verification, they would line through it. And USCIS, United States Customs Immigration Services, asks that when there's an error, you line through it, initial and updated.

[00:12:17] But when it's correct information and you line through it, it gives the impression that it's an error. And so if you're reviewing I-9s and you see dozens of line throughs, you think they're all errors. Then when you sit down and compare to an employee's authorization documents, it was accurate data.

[00:12:38] And so they did do it correctly. But because it was so heavily marked up, it gives the impression that they were errors. And so the recommendation there was to not line through correct historical data in 4-9-9s.

[00:12:56] But that said, because when we're performing audits, sometimes there's a lag because we're looking at history, those errors are not going to be common anymore because it's done electronically. And so they no longer do two things.

[00:13:16] One, they no longer do it by hard copy and by hand. It's electronically. And two, starting in November, the new re-verification process is going to be revamped and updated. And so the way we were performing re-verifications will no longer be performed anyways.

[00:13:35] And so it's going to become obsolete. And so the way they're doing it now is good. And just to go back on all three recommendations, we did review management's response, and we did determine that the response and action plan is adequate for the SOP.

[00:13:56] They do plan to develop an SOP for Form I-9 process, which they hope to complete January 1, 2024. We will go in sometime in February for the follow-up to the audit. And the reason we'll wait till February is just to really give them time to update to the new practices of Form I-9.

[00:14:20] And so beginning November 1, everything will go to the new format and new Form I-9 from USCIS. So that is the conclusion of that audit report. Thank you, Mr. Woods.

[00:14:37] I'll just open up for some questions. Mr. Beatty? Thank you. Thank you, Mr. Woods, for this. So going back to with the three findings, as I interpret this, it seems like fixing number one would probably fix the other two at the very least.

[00:14:52] I mean, you said number three is probably not much of an issue anyway since we moved to electronic forms. But is that pretty accurate that number one should fix the other ones? Yes. If we have clearly defined procedures, I think so too. And then are there issues with, I guess, other than like incorrect forms, are there specific issues with having forms that have crossed out, erroneous crossouts or things like that, in terms of liability or issues with immigration?

[00:15:22] I'll say no, because if the federal government were to review the Form I-9s, they would give us an opportunity to correct them. And they would give us an opportunity to correct them in a format they would accept, and they would give us multiple chances.

[00:15:39] So they'd probably give us three chances before they started to find us. If we were attempting to change them, that would be okay. But if we just completely ignored them, even the first attempt, I think that's where we would have liability in ignoring them. Okay, thank you.

[00:15:56] Thank you. So this is great. I saw the report, and I think it's in the direction where we would like to see the audit committee kind of go through it. So I'm excited for the future audits of it. I think you sort of addressed my, one of the first questions is that you have a recommendation and then there would be a follow-up.

[00:16:22] I think you mentioned February that when you and your team, we could go back and follow up on that to see if those things have been implemented and so on and so forth. Is it, so the issues were mostly related to the hard copy paper form and now I think both USCIS. They all have electronic form and

we also have an ERP system. So is the employee filling out the I-9 form on the government website or are they filling it out in our ERP system and then

[00:16:56] we're submitting it to the USCIS for that? So they're filling out electronically internally here in LCPS. The government does not require we submit the form I-9s. However, they do require that we keep the I-9s for an employee's full length of employment, plus one year, or three years.

[00:17:20] So even though we don't submit them to the federal government, we are required to keep them here. And I think that's because the government doesn't want to be inundated with all this data, and they can come and check any employer in the states anytime they want to, to make sure we do have it.

[00:17:40] So internally, we keep it here. Also, we store that data on LaserFish software, which is provided by the county. So it's a software that is owned by the county, and we use it as a document repository.

[00:18:00] And so it's kept and stored in LaserFish. And because of any of these errors, I don't know if it came across, have you rejected anybody for employment because of any of the issues with the form itself? Yes, so we didn't look into that, but any employee who is working here had to present the correct documents within 72 hours of their first working day.

[00:18:30] So even though LCPS does do it, if there's one thing I will say, HR does a very good job of making sure people complete or submit their documents prior to working. However, if an employee shows up to work on the first day, so if the first day is on Monday, HR has until Thursday to verify their work documents.

[00:18:51] What HR does do is they do not allow you to start at all unless you have presented your Form I-9 documents prior to ever showing up on your first day of work. So if an employee is rejected because they don't have their proper work documents, I never would have saw it because that individual would have never been able to start one day of work.

[00:19:19] And so HR does a good job of that. All right. Thank you. Mr. Beatty? One final question is, will this be available publicly? I know you emailed it to us, but I was looking at the OAG website. I didn't see it, so I'm just curious about where it's available.

[00:19:36] Yes, so it will be available public. We haven't put it up yet. We still need to open up a new web page, so we'll need to work with the communications department to have a section for reports. Also, in the future, it will also include the audit plan and our annual audit report.

[00:19:56] Also, if we ever get a peer review, it'll also go up there, too. With that said, you bring up a good point. So on this, our very first report, there's a distribution page. I'm used to distribution pages because prior, everything was not FOIA-able.

[00:20:12] Here, a lot is FOIA-able, and so I don't think I need to have a distribution page anymore because the distribution page is the public, except in small instances where we have sensitive data, which I highly doubt would that ever be needed.

[00:20:34] So in the future, we probably can scrap the distribution page because it's for public consumption and not for just individuals on that page. So yeah, so we'll go on the webpage. - Cool, thank you. - Thank you, Mr. Wood. I agree with Mr. Beatty, so I think looking forward to that as well, thank you.

[00:20:52] I guess we can move to the next item in the agenda. - For the next update, we have the stipends program. So prior to the summer, we met with all the principals And then summer came, and educators

are out during summer.

[00:21:13] So now that they're back, we are starting to meet with, we have met with some directors of theater, choral directors. And so we're in the process of meeting with them. We're scheduling, we've met with the theater director, the technical director, the choral director from Rockridge.

[00:21:34] We are in the process of planning meetings with Tuscaroras, Fine Arts Department. And once we complete those meetings, we'll have enough information to develop our testing of the controls. I can give you an update on the things that are preliminary that we're starting to find, if you'd like. One of the things that I found on the Fine Arts Department is when a non-LCPS employee applies to a stipend, the principals and individuals on the school level aren't too sure when an individual passes clearance. And so one

[00:22:14] of the preliminary issues I'm seeing is ensuring that individuals pass clearance before they start working with students. And so when we ask principals, how do you know an individual passes clearance? Their response is, well, they have a PID number. Well, just having a PID number does not say, hey, this individual has passed clearance. It just says HR is in the process of working on onboarding them, and they're in the process of going through that background check. And so I think

[00:22:51] that's an issue. You want to make sure that everybody knows this individual should be on campus or should be at school activities who have passed clearance. And so it's making sure we clarify and communicating from HR to the principals and to the staff in the fine arts department when individuals who are not teachers or who are not LCPS employees who are just working under the stipends, making sure that we do an adequate job of notifying them that individuals have passed background checks.

[00:23:25] And so there is some issues there. Other instances can be individuals sign up for a stipend in September for work that's supposed to be done in the spring, only for the spring to come around.

[00:23:43] And an individual has gotten paid for the stipend, but when the spring comes around, they may not be able to fulfill their duties, whether through illness, whether they're busy, whether they no longer work here. So they might get prepaid, and then you have to recoup the money that you've paid this person.

[00:24:03] And so that's kind of a weak control. Maybe we should wait to pay an individual for a spring stipend in the spring. And so that is one of the areas we'll have to test. And so it may be a concern right now.

[00:24:20] I can't say definitively it is a finding. I can just say right now it's a concern that we will look into in testing, and that is prepayments for stipends when individuals can't fulfill their duties under that stipend. That's another concern.

[00:24:37] Another one, I think, is when individuals are signing up for multiple stipends, We should accompany that stipend title with the job description so principals and administration know can clearly separate what the job responsibilities are when someone has multiple stipends.

[00:25:00] And so it is allowable for teachers to receive multiple stipends, but sometimes an individual like myself won't know the difference between titles and fine arts. And so for me, I just say, why is an individual receiving multiple stipends for fine arts? Well, if there's a job description to go with it, then I

can clearly see that they have different duties, and this is how they perform those duties that backs up or that justifies why they're receiving multiple stipends.

[00:25:29] With that said, when they created the stipends, they did have a job description for each stipend. That stipend goes to somebody in HR. So the stipends were created, I believe, in Department of Instructions.

[00:25:46] When they created the stipends or when they requested to create the stipends, they had a job title, job description, and they had qualifications. When that was submitted to HR, they developed the stipend job title.

[00:26:02] But when it goes to the principal, all the principal sees is the job title and not the job description. And I'm just asking that they also provide the job description with the job title when people sign up for it. So the principal knows as well that this person should be receiving a separate stipend for the work they performed.

[00:26:22] So those are the concerns I'm seeing now. If I had to prioritize them or put them in a risk, I'd say the background check is the highest risk right now. The multiple stipends with the job description, I'd say is the lowest risk because we do have the job descriptions for the job titles.

[00:26:40] They just need to be passed along, and so we just need to communicate them. The prepayment, I'd say, is the second risk. So it'd be the background check is the highest because that's safety.

[00:26:57] The second one is prepayments of stipends. And then finally, multiple stipends and not having a job description. So those are the concerns I'm seeing. And those are the things we'll test hopefully within the next month during October.

[00:27:16] Okay. Yeah, we're in September right now. Fair enough. It's October. Well, thank you. I think this is, I'm excited and looking forward to it. I don't know, Mr. Beatty, have any questions on this? Okay. Yeah, thank you for sharing that. And I think the next one, I think, will be the audit for the special ed.

[00:27:35] Yes, and lastly, we have the audit of special education staffing needs and requirements. On Friday, September 22nd, my office held an entrance conference, and we met with the Department of School Services, Business and Financial Services, and Human Resources and Talent in Development.

[00:27:56] So that kicks off our special education staffing and needs and requirements audit. Um, even though we've already started the stipend audit, to me, this is our number one priority right now, uh, for multiple reasons.

[00:28:13] One, budgetary issues. If we need to increase staff or decrease staff, I think it's good that we get this information to, uh, those who, uh, budget for fiscal year 25 as soon as possible. Two, this is part of the audit plan and it's board approved.

[00:28:28] And so now we are getting into audits that the board is really looking for because it's board approved. And so we did have a great meeting on Friday afternoon. We met with members of those departments for about an hour and 20 minutes. We had a lot of questions. They had a lot of responses. The main criteria for this audit will be Chapter 81 of Virginia Administrative Law. And basically it has, it gives us our requirements that we're supposed

[00:29:00] to meet from a staffing level. We are, to some extent, I'd say, just on the surface, it looks like we can meet the requirements. However, I have gone to Liberty High School, and when I was in Liberty High

School, all the teachers in there were TAs and a substitute teacher that was a long-term sub. And so I don't know the TA's long-term positions there, but there were not permanent

[00:29:39] teachers there. And so that's just from one observation. We will have IEP training as a team tomorrow because staffing is driven by the IEPs. And so we'll need to get up to speed on how IEPs work, the minutes recorded, the services rendered, and all that comes from the IEPs. And so tomorrow we'll get training. Also on Friday I'm attending a alternative planning or alternative educational options and so currently LCPS does not have an alternative education option plan

[00:30:15] and that's basically a plan that says if a student is unable to attend certain services what alternatives can we do or can we perform? I think one of the alternatives is busing so if you're in a district, a school district that doesn't have services, we now bus you to an area that does have those services. Also, if you are homebound or if you're a juvenile and you find

[00:30:49] yourself incarcerated. So we still have to provide services there as well. So I don't think we have that written down now. And we're Paige Carter and Tedra Richardson are currently working on that as we speak and so they have a meeting on Friday to go over that and so I'll attend that as well on Friday so it sounds like there's a lot of movement in the special education uh area right now great uh thank you Mr Woods and I think you touched on it that the first two audits were sort of warm up from the committee and this is sort of the the sort of the priority that the

[00:31:28] whole intention of having our committee was to do these set of projects where we're looking at special ed. So I appreciate that and looking forward to that. I did I think myself talking with Ms. Richardson I haven't talked to Ms. Paige Carter yet but I think there was definitely a lot of support in really looking into and working with the team to find what we need to find to help fix that. So it's so exciting to hear that. I don't know. Mr.

[00:32:00] Bady, any thoughts, questions? Yeah, so it's good you mentioned the need for training about the IEPs and such. Do you think that's gonna be a challenge with this audit in terms of special education being a very, I would say, opaque system and the need to, as we're trying to figure out all the components to it, do you think that might be a challenge at this?

[00:32:21] - I do. We are auditors in my office. We have an accounting background, we have an audit background, we have an information systems background. We do not have teaching background. and so we do have a lot to catch up on special education in particular because not only do they have the baseline as students, they also have their special education needs and requirements, and so IEP is one of them, and we have to get up-skilled on that, and so I do think it will be a challenge.

[00:32:58] We will rely heavily on staff here on LCPS, and so there will be a lot of questions that we will ask We also, on top of the training, will probably sit down with Paige for two to four hour block just to go over how IEPs work because there's so much in them and they're so individualized per student.

[00:33:22] So every student is very different in this area. Also with cross-category students, that's also an area that we need to get up to speed on Because on top of their IEPs, it's how do we identify those cross-CAT?

[00:33:38] How do we track those cross-CAT students? And how do we ensure that they are receiving the services when they are in special education courses? So I do think it is a challenge. No, I'm glad you were talking about that.

[00:33:54] In terms of stakeholders for this, obviously we'll talk with staff. Are we going to talk with parents that are involved in the IEP process or SEAC or both? So I have met with SEAC, current chair and past chair. So we will engage them during the audit.

[00:34:11] There will be a group who we will meet again. We met once. They provide a lot of information. We've gone through some of it. So we'll meet again with them. Because they also work in a committee with parents, that's going to be the liaison or the representative for parents.

[00:34:33] Outside of that, I don't see us meeting with parents unless we identify areas where it's, hey, this kid might need to just ask if, like a survey, basically, and say, hey, are your children getting the services you require?

[00:34:52] Because we're trying to stick just to staffing, I don't know if that's required in this audit per se, because I do know that the superintendent would like to do a full, robust review of special education that goes far beyond our scope, and so I don't know if that's something we would need to do as of yet, because it might be duplication of work, and so it's something we can consider, but for now, it's just SEAC.

[00:35:27] No, I think that's a good spot to start, so I'm glad that they're getting roped in, and we'll see where it goes, so thank you.

[00:35:43] - Thank you. So Mr. Wood, I think we covered all the topic in five, I believe, we're done? - Yes. - Okay. Do we have any new business tonight? No new business? We can adjourn the meeting. Thank you both for coming tonight. - Thank you. - Thank you.



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