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Loudoun County School Board, Audit Committee Meeting, Monday, November 27, 2023

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[00:00:02] Good evening. I call to order this audit committee meeting. I think this is our last meeting, I believe, that we have for November, December. I'm Chair Harris-Medwee, and I'm joined by Ms. Ogadegbe.

[00:00:18] And I believe Mr. Beatty will not be able to join us today. Thank you. All right. Any public comments tonight? No. We move to the item number three, approval of meeting minutes. I move that the committee approve the draft meeting minutes from September 27th.

[00:00:38] Second. Any questions, okay. All those in favor, raise your hand and say aye. Know that the motion passes with Mr. Beatty absent. And I guess with that, I'll move it on to you, Mr. Rashad for item number five.

[00:00:58] - All right, thank you. So I just wanted to go over the current audits and their status. Currently there are two. There is the special education audit, which is reviewing staffing and then the ongoing stipend review.

[00:01:18] So recently we met with our final staff for the high school level. We met with fine arts teachers from Loudoun Valley High School. And in all there have been 34 unique meetings for us to understand the processes related to how we run and process stipends.

[00:01:45] Each school does it a little bit different. There are many things that are alike, but it's really driven at the school level and how they want to oversee stipends. And so that's one of the areas that we can probably streamline a little bit better.

[00:02:04] So right now we've completed our planning phase and we're going into our testing. And just a few areas of concern related to that stipend are internal controls over the stipend. The stipends are heavily manual and that includes processing payments, identifying individuals who will work for us.

[00:02:29] But really when it comes to the payments, if there's an error in payments, somebody has to go in and manually update it. It's not going to be updated or caught digitally in Oracle. It is something that accounting staff has to go in and perform manually.

[00:02:47] And so it's a very labor intense process to onboard and process payments. and so maybe there's some areas of improvement there. Also, a lack of written guidance.

[00:03:04] I know when we started reviewing this, it was year one, and so there was just not a lot of guidance. This is year two. There has been more guidance, and so I can't say it's a continuous improvement, but there are still some areas we can improve and have a more concise, well-written guidance where individuals at the school level understand their duties in administering stipends and overseeing stipends.

[00:03:34] Also, the allocation of stipends at the school level. When schools receive these stipends, they tell the directors in their respective areas, choral, band, theater. It's up to them to allocate those stipends.

[00:03:52] What we're seeing in many schools is a condensing of stipends to a few individuals, where maybe sometimes it would be more conducive to allocate some of those things that they do to other stipends or to distribute those stipends to other individuals.

[00:04:16] I do understand, though, for theater, there are three distinctive different plays or acts that they put on. There's the one-act play, there's the full-length play, And then there's a competition that they do as part of the VDOL.

[00:04:34] And so part of that league and the one act and the full-length theater, those are three distinctive things that directors perform. So I do understand why they'd have three stipends to perform each of those duties. But once we start getting into four and five stipends for a recipient, there might be areas where we can improve our outreach to bring in more individuals.

[00:04:59] the stipend because when these stipends were started one of the reasons to have these stipends was to staff more people to help with these programs and if the staffing is staying the same but the distribution is not is staffing stay in the same but the distribution is creasing then what justifies the extra stipends and so that's one area of concern that we'll look into further when we perform our analysis during the testing phase lastly the issue of onboarding of non-LCPS employees.

[00:05:35] So a non-LCPS employee is an employee who is strictly receiving a stipend. The issue with the onboarding process is for those individuals, when they do come into LCPS and they're going through their background check and they're going through the onboarding process with HR, once they pass clearance, individuals at the school level or unaware if that person has passed background checks.

[00:06:05] So they're not too sure if they're clear to either work at the school. And so sometimes some of the directors have had to call or reach out and email HR for a response. Sometimes they only know when a

person is passing clearance when they have received payment.

[00:06:22] And so an individual will go and work for a stipend. They'll come into our schools, they'll work with our children, and then they'll receive payment. And at that moment they receive payment, That's when some of them know they've passed clearance, because now they've been processed through HR, who now passes that information to payroll.

[00:06:40] And so there's not a clear workflow for when an individual passes their background check to notifying individuals at the school level. In one instance, there was an individual who is currently working in the theater program in one of the high schools, and they've already began work, and they didn't get paid in the fall.

[00:07:05] And it's because that individual was not cleared their background check, but they've already started working. And this background check has been ongoing for five months, and they were submitted, I believe, in August, and it's still ongoing. And so they were working under the stipend, and they're not cleared.

[00:07:25] And because the schools, at the school level, they're unaware of the process and the lack of communications that they didn't know. So you can understand there's some issues there. And Ms. Elka Degman? So I understand the whole point of this is to highlight concerns that can be addressed, but there's a couple of things that you've raised, and I know you're not quite done yet, but specifically people being in buildings with students without a past background step or check.

[00:07:55] I'm hoping that, like, that person is no longer in the school and that there's an understanding that people cannot start work until a background check is done and that I know there's a whole process to kind of finalize the audit, But if you can kind of clarify, has that been addressed?

[00:08:15] Because if not, that's a serious concern. My other concern is around payment for multiple and concurrent positions, which, you know, you can't really be paid to do two jobs concurrently if it's in the same hours.

[00:08:33] So, and I think you share that concern, but my bigger concern is around the background checks. Yeah, I'd say from an audit perspective, that is the biggest red flag, is individuals working at schools who haven't passed background check.

[00:08:52] And then it's also the admin building here in central office, us not communicating to those schools that when the individual is signing up for the stipends, Even though they might receive an employee ID number, a PID number, they have not passed background check and should not work with the students until they pass a background check.

[00:09:16] And that is the biggest red flag. So if I may, so how I'm trying to understand the process because how they issued the ID before the background check has been completed? Because I thought that there has to be somewhere a critical step in issuing your ID is completion of the background check.

[00:09:36] Yes, I will say, though, that they're not being issued badges. And so they're at the schools, they're working with students, and they're not receiving the badge until they pass background checks. However, there were some incidences, I believe at Tuscarora, where individuals did pass the background check and never received a badge.

[00:10:00] And so it's both ways. It's they don't have a badge before they get clearance, and they shouldn't. But then if they do pass clearance, they're not issuing a badge. And so it's two issues with the badge. And I think this all comes into the onboarding process.

[00:10:18] So we mentioned that incident where that individual who was there in the school for five months without a clearance, is that person's, are they still in school or are they gone? No, as of today, I believe they're still there.

[00:10:35] And the email just came in today. We came, today's my birthday. We came back from lunch. And thank you. When we came back from lunch, I saw the email, and I learned of this today, this afternoon. Wow. And so if the concern is that they're still working, then tomorrow we will start the process to notify them that maybe that they should not be working with the students.

[00:10:54] So I'm presuming you've escalated to the leadership level. Yeah. Okay. So it just happened. You just learned about today. Got it. Okay. If we had known this for like a month or two months, then that would be – that's where we're getting at.

[00:11:13] Now, the issues of the badges not being issued and individuals not being notified about passing clearance, we did know. But today, there was clear evidence that there's an individual who was working without passing clearance yet.

[00:11:29] And the issue was they were looking for their payment because they expected to get paid for the fall payment stipend, and they had it. And the director, I was CC'd on the communications with HR because when I spoke to these directors, I wanted to know the process in real time.

[00:11:48] And this was something that was happening in real time, and they CC'd me on that today. Now, I know something, I think you have shared a concern where folks have got paid, but they have not worked. Or they got stipend, but they have not started work yet. So there's been a number of occurrences of those also, I believe?

[00:12:07] Those will be tested. So when we have these conversations in these 34 meetings, we ask them these questions if they're aware of anybody who has gotten paid first without doing the work. And some of them have said we're not aware. And then a few have said, yes, we had an incident where somebody was paid for a stipend performance was supposed to be in the spring.

[00:12:32] They were paid in the fall or winter. And then when the spring came around, they were unable to fulfill their duties. And so when that happens, it's twofold. One, they have to find a replacement. And two, accounting has to go back and manually dock pay.

[00:12:50] And if they're a non-LCPS employee, they don't have a recurring check. So you can't garnish a wage if they're not an employee. You can only stop it. And so then it becomes an issue of how do you recruit those monies that you paid an individual before they even perform their duties.

[00:13:07] So this, I guess, to challenge what we mentioned just in the fine hours, but this could be with every stipend, it seems. Yes. The manual payments, the manual entry and inputs into Oracle.

[00:13:28] So everything is going to be manual in the beginning. But once you're in there, if there's errors or mistakes or something has to be corrected or recalculated, it's done manually on the side on a spreadsheet and then entered into Oracle.

[00:13:44] It's not something that is in Oracle. It's what we do. And when people are redoing these things manually, there could be errors, especially if there's not a peer review or a cross-reference check. All right. Thank you.

[00:14:02] All right. And for our next audit. sorry just one if you can back up just for one second um so when you mentioned loudon valley high school that's just because that's the last school yes okay so if these slides are being used for the for a full board update i would just i mean i would just indicate that you've had the meetings i don't know that the final walk through with it's misleading because it makes it seem like that's the only school you worked with all right understood but yes they were just

[00:14:39] just the last one. And that was right before the Thanksgiving break. All right. Our next one is the audit of special education staffing needs and requirement. So far, we've met with all key stakeholders, which include the Office of Special Education, HRTD, and Business and Financial Services. We reviewed applicable policies and regulations. We've completed our audit planning phase and have developed testing steps and so our testing book began November 14th for for this one

[00:15:14] we we have identified that earlier this year we were non-compliant in at least one case and that was in a early childhood special education area so elementary or pre-k or I think that is early Yeah, early childhood is two to five years old, and we were supposed to be staffed one to ten, and we were one to twelve.

[00:15:44] And when that happens, we have to send out letters to the parents. We have to send out a letter to the board, and we have to send a letter to the superintendents, I believe. We also have to include our corrective action plan. And so that's been the only area that we've identified so far where there's been a noncompliance.

[00:16:02] I do understand that nationally there is an issue with staffing, but that is one of the areas of concern. We will do further testing and look into that now. Right now we are trying to plan school site visits where we will show up and verify the teachers, the staff, who are part of special education.

[00:16:25] We're also reviewing how business and financial services performs their calculations for FTEs that show up in the budgeting process. Also, one of the areas I think we can maybe change the structure is possibly recommending that the Office of Special Education perform the FTEs for themselves, because the way it's set up now is business and financial services does it, but the people responsible for compliance

[00:17:02] People who monitor the teachers on a daily basis are the Office of Special Education. And having Business and Financial Services perform the FTEs, they cannot make the changes as quickly as needed maybe or request those changes because OSC has to go to BFS and BFS has to come to the board.

[00:17:23] Whereas if OSC were spearheading their FTEs, they would just go directly to the board as opposed to having a middleman. And so other school districts do have that department perform the FTEs, and then it becomes a position control issue for BFS, and that's just ensuring that when OSC needs an FTE, that we have the budget for it.

[00:17:51] And if OSC needs to pull that money from another account, they have that money. And so I think business and financial service should be supporting OSE on their accounting, but I don't think they should perform the FTEs.

[00:18:11] Thank you, Chair. I think that raises an interesting point that you'll probably find is similar on the general education as well. It's something that I have had conversations, not formally, but in passing about the way that our staffing levels are determined and they're all driven by the budget office.

[00:18:37] So I would just suggest as you look at this and have conversations with your colleagues that if that's a best practice on the special education side to perhaps look at that from the full staffing side as well.

[00:18:53] And then considering obviously the budget, the mechanics of keeping the budget in balance and so forth remains with the budget office but perhaps the requests for FTEs as I understand should be coming from the organizations that are managing the staff yeah definitely we'll take that into consideration and the thing for for special education staffing is they have a table and it's like a matrix where they have ratios of students and so one student doesn't equal one in that rate in that in that

[00:19:30] table. So students have points, and there's a point system for special services. And so if there's a point system, just because you have 10 students, does it equate to one teacher to manage those cases? One of those students can be worth three points. And so now, if you're only taking headcount, and you take 10 students, but for the table, the table is like, no, it's really seven students per criteria that the special education student is. When we're calculating our

[00:20:09] FTEs in business and financial services, we're just taking one for one head count. And it does not take into account that point system that is in the Virginia criteria. I think that raises another excellent point. And, you know, one of the challenges that we had in the spring when a lot of concerns were being raised by teachers and parents around our staffing for special education was that, you know, we're not within the parameters for what we should be for staffing, and we would get updates, and it seems like everything's good, but then we had communications

[00:20:48] with SEAC, and I understand that you've met with leadership for SEAC as well to understand their perspectives on this, but it's hard. It just highlights, again, the need also for better and clearer communication about what the standards are how they're measured and how we adhere to them because from a parent perspective you know if I went into a classroom and I know the ratio is one to ten and I see 11 kids in the class I don't know what the ratio spreadsheet is so I think if there are ways

[00:21:24] through this process to also help influence how we're communicating what our standards are that would be very helpful, I think, for the entire understanding of how we're meeting needs. If I may add, Mr. Shrads, I think you mentioned, I think, to what Ms. Ogadegbe mentioned, so we're not doing it by student-to-staff ratio, but it's a point system that the OSC maintains in terms of how they need to be staffed, so there's a discrepancy between student versus point system and does it only LCPS does it or is this a video thing that they do

[00:22:02] my point system so the way we're doing our FTE or our staffing for special education is we're only taking headcount of sped students and so the when we do that it doesn't really take into the account severity of a student's case some some some IEPs are are less than others and the Virginia staffing requirements has a table and then that table there's there's two tables one it's if you have a TA then you can have 10 students per teacher there's no TA then it's eight students per

[00:22:40] teacher and then there's some areas where you can have 24 students per one teacher and I think that's like a lower I think it's a cross category as opposed to self-contained but then when you go to

the second table, it tells you how to calculate an individual's points. And so that point system is not being taken into account when Business and Financial Services is calculating their FTEs.

[00:23:10] They're only looking at a student, and that's it. So 1,000 students is 1,000 students. There's no factoring in that point system. And so they're saying that, okay, we understand that there's a point system and we account for this by making a conservative estimate of what we should do and so when they're calculating they do come in a little under that ratio but again it doesn't take into account the point system and they're also not the individuals who have to monitor on a day-to-day basis student teachers are the student to teacher ratio at the sped level

[00:23:49] And if the individuals who are tasked with performing that duty on a day-to-day basis and know the students and know the IEPs and know the caseload of their teachers, it might be best that they also are the ones who develop the annual FTEs that go into our budget.

[00:24:08] So I know that there are Virginia standards for staffing and then LCPS has standards. And in general, our standards are more favorable for our students. We have, you know, lower ratios than what's required by the state.

[00:24:25] So I guess my question is, you know, our ask of you is making sure that we are within not just the VDOE level, but what is our premise locally to families in terms of what our ratios should be and what the expectations are.

[00:24:45] So I guess I have a two-part question. One, when you found just the one classroom that was not in compliance, is that based on VDOE levels or LCPS levels? And then secondarily, with this point system, if our definition is just based on headcount, I understand that the point system is relevant for VDOE, but I'm wondering, you know, does it really matter if our staffing is based on headcount and our ratios are lower than they

[00:25:22] are for the state anyway? Does the point system apply or matter here? Okay, so if we just want to be compliant per state standards, the ratio and the calculations they do are sufficient from what I've seen. However, when we take into effect a caseload for an individual student, sometimes that an individual's caseload can be more than just the ratio we're calculating.

[00:25:54] And does it take into account the severity of an IEP case? And when Business and Financial Services does it, it's not taking into account the severity of an IEP. And so they don't know the IEPs.

[00:26:11] They're not handling the IEPs. They don't know a student's needs in that regard. And so, yes, we do meet the criteria by the state with our calculations, but then it's, do we meet the needs of our students on that criteria or that calculation alone?

[00:26:31] And that's something we'll look into when we do our testing. - Well, and to be clear, I mean, I want us to be in compliance with the standards that we set locally, first and foremost, because those are more stringent. So, okay, thank you.

[00:26:47] - And the simple answer is yes. from what we've seen so far, then yes, we are going to be compliant per LCPS local requirements and the state of Virginia's. So how are they tracking the point system?

[00:27:11] Is it really an Excel spreadsheet where they're tracking the point system and staffing? Okay, so business and financial services is not going to track point systems. They're just going to track headcount

and teacher count, and they're going to perform a calculation year-over-year, budget-over-budget.

[00:27:32] But the Office of Special Education has to take into account that criteria from the point system for when they're doing their IEPs because they're driven by, that helps drive an IEP where a parent can go in and says, well, this are the things my student needs and why is my student with a caseworker who has an overabundant or too many cases?

[00:28:02] on top of my students and so that's what the point system takes into account but that point system alone has also been questioned by for the state of Virginia's own external audit third-party audit they did and in that third-party audit which was performed and it was issued in 2020 that that that table alone was questioned and the question was this table alone does not

[00:28:35] take into account the severity of an individual's case. So what Business and Financial Services is doing is perfectly well defined if you want to meet the law, if you want to meet LCPS local standards. But does it take into account the severity of an individual's case when they're staffing? And the answer is no. And they don't know the students as well as the Office of Special education. And if those are the ones who are tasked with monitoring compliance, with addressing

[00:29:15] IEPs, fulfilling IEP requirements, then they'd probably have the best understanding of the staff they need in the department. So before, I just want to follow up question. I got that. But within the OAC, again, because they don't have access to Oracle. I mean, I think we kind of established that. And I remember somebody mentioning that they maintain their own staffing spreadsheets or staffing lists, I should say. So that's the question. Are they maintaining spreadsheets or how are they tracking

[00:29:48] that within OSC? They do have a spreadsheet. I can't attest to how old they or how long they've been doing the spreadsheet, but they have a spreadsheet for each individual school. And in that school, they have their deans, their teachers, their TAs, their training dates when they perform the annual training if they met it and so they do do that and they monitor it on a daily basis got it so that's again comes back to quantitative versus qualitative mrs. I think as a follow-up

[00:30:27] question just to understand the point system so as I understand depending upon the needs of the student a student could potentially count for more than one FTE and so I think this addresses what we were hearing a lot in the springtime around how caseloads weren't really being factored in um and the other thing i remember hearing about was and i don't remember the specifics but i feel like there were there were concerns that were raised about how hours were

[00:31:04] being counted and that somehow we administration was under counting hours and therefore miscalculating the the fte required to meet the needs and i'm assuming hours required might be related to the point system? Yes. However, because there is talk of a third-party audit of specialists coming in to review special education in its entirety, I did not want to delve into exactly how we do our

[00:31:43] minutes, but it has been brought to me on several occasions, whether it's been parents or staff. And so what we're doing, what we'll do is we'll write an audit lead up. And so it would be a page or two and saying, hey, this is our concern about how we account for minutes of service and how we go about addressing that.

[00:32:10] What we are doing during this audit is we are looking at the compensatory time. And so if we have a special education student and we're not servicing the IEP, then they're owed compensatory time.

And so what we're going to do is look at all the compensatory time on our books, and we're going to look at that and say, do we have staff to meet this?

[00:32:33] And if we're compliant, how come we're still this amount of compensatory hours behind? Because one would think that if we're staff appropriately, then we might have a fair amount of compensatory time, but not an exorbitant amount.

[00:32:51] and so we don't know where we are right now on the compensatory time but I think reviewing that compensatory time on the books will give us a better picture of how are we accounting for our minutes during the school day with that said we won't dive further than saying that we need more staff for the compensatory time the other auditors will come in and say we're under counting our service minutes so I think just initially that Ours were part of the scope of the audit, but since the superintendent wants to do a full comprehensive,

[00:33:30] so this is why I think we can change it. But keep that in perspective. But thank you. You know, I think this is probably the most important part of the meetings, I mean, what we're learning for special education.

[00:33:47] And I appreciate that sharing that because I think this is where the meet is where I think people talk about what we're hearing and then where the disconnect is. And I think what it seems, I'm not saying this is the exact, but I think this is where it probably seems the exact nature of where this could be.

[00:34:06] Anyway, please go ahead. Yeah, and again, I just want to add, it's when we hear things or when things come up in an audit that are out of the scope, we will write it down. And in this case, when outside reviewers are coming in, that information will be passed along to them along with the work we did on this audit.

[00:34:24] And so even though we may not cover it, it should be covered if that is the intent of the outside auditors to review the whole department. I hope that you guys play at least some role in that, working with the external audit too, because I think you already have history and the work that you guys have done with it.

[00:34:45] Sorry, did we stop you in the middle or you almost finished? No, that's it for the staffing needs for SPED. So thank you. I think thank you for sharing both of this. I'm kind of glad, I mean, you know, I think that we set up this and the journey that you went on.

[00:35:07] I mean, this is something we wouldn't have learned. And I think there are other places where we could have benefited in doing further audits. And I hope that the next board, you know, works on the next audit universe and prioritize some of the things within that.

[00:35:29] I would like this, again, maybe not two slides, but a little bit more, presented the December 12th meeting to the full board as a, I mean, I think, I don't need you to go to every spreadsheet in that, but I think there should be something more to discuss as far as how many meetings you had, how many interactions you had, how many schools you visited.

[00:35:54] like for example we saw uh in that context um you know how many um positions i think are same individuals taking multiple stipends i think they just kind of i'm not against it to be honest with you because i think i've seen where some individuals may be doing two or three different programs so we don't know the details of that but i think it would be good for not only the new board this board but also the new

board to see the the good work that you and your staff have been doing and the And the same thing along with the special ed too, I think it's just an update on where things are.

[00:36:29] I think because I think the community is special ed community also is, you know, appreciative of what we're doing. I know we could have expanded and continue with it, but I understand where we are. They understand that I think at least we're asking the right questions.

[00:36:46] I think you're asking the right questions and I think that's really helpful and I think they appreciate that. So I think both of them could be a good presentation. we can do, we'll figure out which in the schedule we're going to be. I think let's plan for that and that will be helpful. Sounds good.

[00:37:05] Anything else, Ms. Ogudek? Any new business? I just wanted to recognize you for pushing this forward. I know this was a big priority for you in your work on the board and I'm grateful for that and grateful for you and your office and the work that you're doing. Having you know, secondary controls and double checks on things for an organization this large is very important. And it's great to see what you've been able to find. It's, you know,

[00:37:42] you never really like to find things, but when you find things, you know that you're looking in the right places and asking the right questions. And so I'm grateful for the work you do. And as we step away, I know that you will continue to add great benefit for LCPS and the community. So thank you. With the last new business, I guess we can adjourn the meeting.

[00:38:06] Thank you, and it's been a great journey, and I wish you all the best to you and to your staff. I think don't, like I said, I think if people are pushing back on you, I think you're on the right track. Thank you, guys. It's been a pleasure working with you all. Thank you.



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