
PROPOSAL for



Prepared for: Charlotte-Mecklenburg Schools

RFI 163-0410261GB: Compliance Assessment Services

Prepared by:

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April 24, 2026



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April 24, 2026

Anna Hehenberger
Acting General Counsel
Charlotte-Mecklenburg Schools
PO Box 30035
Charlotte, NC 28230

Dear General Counsel Hehenberger:

On behalf of Mauldin & Jenkins ("M&J"), I would like to thank you for the opportunity to respond to the Charlotte-Mecklenburg Schools' ("CMS" or "District") request for information for conducting a formal compliance assessment ("Assessment") to evaluate the District's implementation of applicable federal and North Carolina public school legal requirements.

We understand that CMS desires an Assessment of the Human Resources and Finance departments, focusing on assessing those departments' implementation of applicable federal and North Carolina public school legal requirements. As part of that assessment, M&J would help ensure efficient and effective financial management and human resources management. Mauldin & Jenkins maintains significant experience evaluating local school district compliance and helping to develop sound operational practices with a focus on both compliance and efficiency.

Mauldin & Jenkins is one of the largest certified public accounting firms in the country providing audit and advisory services throughout the United States. M&J was incorporated in 1918 and has been actively engaged in providing services to public sector entities since its inception, including school systems. M&J recognizes the unique fiscal pressures, compliance mandates, operating environments, and stakeholder groups that exist within school systems and other public sector organizations. As such, we have created a dedicated Public Sector Practice that focuses solely on providing audit and advisory services to the public sector. We understand the importance of this project, the visibility it will have within CMS, and the impact on future operations.

We are confident that we will exceed your expectations and appreciate the opportunity to submit our information to you. Please don't hesitate to contact me with any questions. Thank you.

Very truly yours,

Kate Russell, Director
Governmental Advisory Practice

I. Company Overview and Relevant Experience



About Mauldin & Jenkins

Mauldin & Jenkins (“M&J”) celebrates more than 100 years of providing our clients assurance, tax, and advisory services. From our humble beginnings in 1918 to our current Firm of over 750 professionals and more than 600,000 hours provided to clients around the country, we remain focused on the core values that got us here. We maintain 19 offices in eight states

throughout the Southeast, with our headquarters in Atlanta.

Mauldin & Jenkins is one of the country's largest certified public accounting firms. While we are considered a large regional firm, we embrace the values and practices of a small local firm. M&J has established ten core values that our professionals live by and bring to each engagement. Our core values differentiate us from other firms and enable trusted client relationships built on competency, integrity, and innovation.

Mauldin & Jenkins’s Core Values

M&J's core values are illustrated in the following graphic and will be continuously demonstrated to CMS throughout our engagement.



Public Sector Practice

The Mauldin & Jenkins Difference: At Mauldin & Jenkins, we recognize the uniqueness of public sector, and specifically local school district operations. That is why we built a dedicated practice of auditors and consultants focused exclusively on this space. We combine public sector motives with private sector methods, bringing industry-leading audit, operational, and performance insights to every engagement. Our team does not just have experience advising the public sector; we have lived it. Many of our practice professionals have served in various public sector roles, including leadership roles, directly overseeing a variety of functions including:

- Internal Audit, Finance, and Grants Management
- Performance Management
- Contract Management
- Technology
- Facilities
- Human Resources
- Procurement
- Program Delivery
- Customer Service

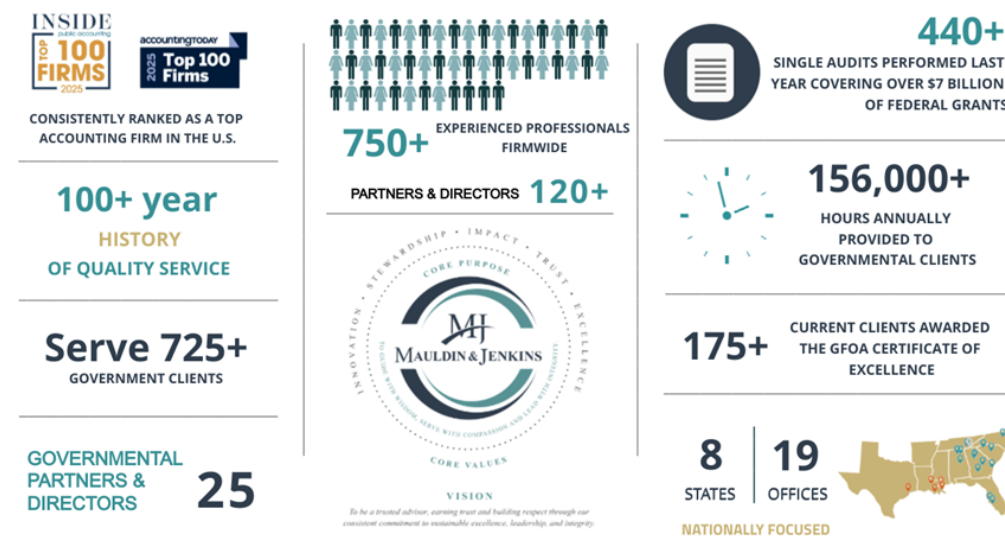
Scalable Solutions for Measurable Results: Our national practice delivers strategic initiatives focused on assessing performance, mitigating risk, and improving service delivery models. From high-level strategy and organizational design to tool development and recommendation implementation, we help clients realize their vision and reduce costs.

Our practice has national experience in creating and implementing transformational strategies for improving operations, service delivery models, and stakeholder satisfaction. Core skills and services include helping clients with strategy, transformation, compliance and business process improvement, operational efficiency and effectiveness, performance management, and sustainability. We have helped clients assess compliance, enhance operations, measure performance, realize their strategic vision, transform operations, improve service delivery, enhance customer service, increase revenue, and reduce costs.

Utilizing the talents of our seasoned professionals, we proactively respond to client needs with innovation and leading practices. Our methodologies are fully scalable—equipped to resolve everything from small, isolated issues to large, enterprise-wide barriers.

As illustrated in the graphic on the following page, Mauldin & Jenkins provides over 156,000 hours of service to more than 725 public sector organizations in the Southeast and around the country on an annual basis utilizing more than 180 public sector-focused professionals. Our clients include more than 125 school districts and charter schools. We have extensive experience and qualifications related to a diverse set of management consulting service offerings. We have the depth and breadth to satisfy almost any client need.

MAULDIN & JENKINS BY THE NUMBERS



Mauldin & Jenkins and your specific project team professionals have significant experience assessing compliance along with similar engagements assessing performance, operations, resource management, and service delivery, and have specific public experience working with and evaluating K12 school districts. We focus not only on evaluating the current environment but also in developing alternative strategies for compliance and operational excellence, leveraging leading practices to help drive efficiencies.

Relevant Experience

We have extensive experience and qualifications related to a diverse set of advisory service offerings. We have the depth and breadth to satisfy almost any client need. Our staff deliver services as consulting professionals who have experience as government executives overseeing operations and significant transformation/organizational assessment projects. We have sat in your chair and understand the high level of professionalism, competency, innovation, integrity, and commitment to quality that you expect from your consultants. The following engagements are a sample set of recent projects in which we have delivered similar and related services to those included in the District's request for proposal.

North Carolina Department of Public Instruction

Compliance and Operational Assessment

M&J was engaged by the North Carolina Department of Public Instruction ("NCDPI") to conduct a comprehensive Compliance and Operational Performance Audit of the Winston-Salem/Forsyth County School System. Triggered by fiscal deficiencies and a North Carolina Office of the State Auditor ("OSA") report, this engagement focused on evaluating the district's adherence to state and federal regulatory standards, internal control frameworks, and statutory financial reporting requirements. As part of the engagement, we delivered a phased, prioritized implementation roadmap that functioned as a formal Corrective Action Plan. This plan established clear goals, assigned task owners, and set concrete timelines for the district's recovery, specifically addressing the implementation of new compliance measures and strengthened internal controls to prevent the recurrence of fiscal deficiencies.

Hall County Schools, Georgia

Financial Services Risk Assessment and Process Evaluation

Hall County Schools engaged M&J to conduct a Risk Assessment and Process Evaluation of the District's financial services. M&J reviewed functional taxonomy, organizational makeup, staffing, and roles and responsibilities of personnel performing financial functions, as well as HR functions that related to financial services (*e.g.*, personnel management and payroll). M&J provided recommendations to assist Hall County Schools optimize its model, including enhanced governance, improved business process controls, and limited duplication of activities.

Charleston County School District, South Carolina

Procurement Compliance Audit and additional operational support

The Charleston County School District engaged M&J to conduct a compliance audit of the District's utilization of a procurement exemption granted by the South Carolina and Charleston County School District Procurement Codes. The compliance audit included a high-level assessment of the District's procurement functional organization, roles and responsibilities, and governing requirements.

Based on this initial work, M&J was retained to assist with optimizing the District's federated shared services model, which included developing and implementing policies and procedures for both the Procurement Department and operating units; the hiring and onboarding of a new Director of Procurement; and the development of training material, governance structures and expectations, and SLAs for both the Procurement Department and operational units.

Richland County School District One, South Carolina

Procurement Card Procedure and Training Assessment

Richland County School District One engaged M&J to conduct an assessment of the District's revisions to procurement procedures and associated training that are intended for all purchasing card holders, as well as an assessment of progress made in rectifying issues identified in a state procurement audit. The assessment focused on compliance in operations and documented procedures while considering opportunities of enhancing efficiency, effectiveness, transparency, accountability, and customer service.

Berkeley County Schools, South Carolina

Operational and Performance Assessment

Berkeley County Schools engaged M&J to conduct an Operational and Performance Assessment reviewing 12 in-scope departments, including Finance, Human Resources, Technology, Internal Audit, Transportation, Facility Services, Security and Emergency Management, Diversity, Academics and Innovation, Administrative Services-Schools, and Communications and Community Engagement. In this process, M&J gathered and analyzed a significant amount of qualitative and quantitative data to establish the organization's maturity and key themes within the District's operations. M&J provided a current state assessment report, bi-weekly status reports, and a final report with observations, recommendations, technology and system analysis, benchmarks to leading practices, and performance measure leading practices, as well as a presentation of findings. Organizational structures, staffing, key workflow and business processes (including realignment of roles and responsibilities), use of technology, reporting, performance measures, alignment of non-instructional operations with academic mission, compliance, and customer service and delivery were all evaluated as part of the scope.

Georgia Department of Education

Financial Assessment

The Georgia Department of Education engaged M&J to conduct a Financial Assessment of the Talbot County School System to better understand the current state of their financial activities, financial management competencies, and financial processes, specifically related to grant funding, grant reporting, operating funds, and capital funds. M&J conducted interviews, functional job shadowing, sample testing, and financial analysis to better document the current state, including progress in resolving prior audit findings and additional corrective action recommendations. As part of the engagement, we delivered a phased, prioritized implementation roadmap, specifically addressing the ongoing implementation of audit correction actions, recommendations for strengthened internal controls to prevent the recurrence of fiscal deficiencies, and technology enhancements to improve operating efficiency and workload management.

Based on this initial work, the Talbot County School System contracted with M&J to provide project management support in implementing the recommendations. M&J support includes development of comprehensive procedures manual, gap analysis of existing policies and procedures to federal and state requirements and leading practices, developing of an internal controls matrix to ensure appropriate segregation of duties and cross-training responsibilities, and additional support as requested.

North Carolina School of Science and Mathematics

Review of the Human Resources and Finance Operations

The North Carolina School of Science and Mathematics engaged M&J to assess certain HR and Finance operations, focusing on compliance with policies, improving operational efficiencies, and assessing risk management strategies. Based on a scope co-creation discussion with NCSSM the Review focused on the Human Resources Information System, internal HR workflows and use of technology, Financial policies and procedures, financial reporting, budgeting and financial planning, procurement, and internal controls and risk management. The Review also specifically assessed employee data privacy safeguarding and protections.

II. Proposed Methodology and Approach

This section provides our understanding and approach to meet the District’s needs and objectives. We can provide the services outlined and meet the requirements provided in the Request for Information.

Our Understanding

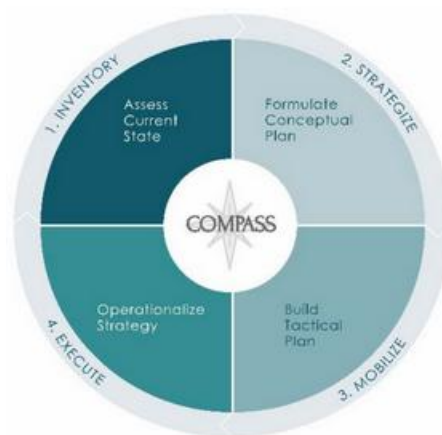
We understand that CMS desires a compliance assessment, focusing on the district’s implementation of applicable federal and North Carolina public school legal requirements. Specifically, CMS desires a focus on the Human Resources and Finance departments.

The Assessment will focus on defining and evaluating the current state of these two departments, specifically focusing on areas of risk and noncompliance, based on the current environment’s compliance with federal and North Carolina public school laws and regulations. M&J also considers the operational implementation of CMS Board policies and other operating guidance. As part of our assessment, M&J also considers operating efficiencies and opportunities for enhanced effectiveness.

Approach

The approach for the Compliance Assessment is based on Mauldin & Jenkins’ proprietary transformation methodology – COMPASS. The COMPASS methodology was developed based on leading practices, client input, and proven project and change management activities and serves as our framework for organizational and operation efficiency assessments.

The COMPASS methodology will guide the District throughout the assessment, providing leading practices, lessons learned, and options for future state operations. The methodology is detailed and requires sound evidence to be obtained before making recommendations or presenting options. COMPASS is based on four critical stages for strategically assessing, creating, and implementing successful transformation. Our approach for the District will leverage the first two stages, “Inventory” and “Strategize.”



The project scope will consist of the following phases of activities:



Phase 1 – Initiation & Planning

M&J will conduct a kick-off meeting with the project sponsor and other relevant stakeholders. The purpose of the kick-off meeting will be to introduce the M&J Team; discuss roles and responsibilities; and identify project objectives, scope, timing, communication protocols, and potential risks. The meeting allows for discussion at a more granular level to help ensure M&J and CMS are aligned on key project attributes. We will discuss access to people and information needed during the engagement and methods for requesting and obtaining interviews and data. We will bring an initial information request to the kick-off meeting based on our understanding of CMS' needs and our knowledge of conducting similar assessments.

We will work with the CMS project sponsor to create an initial interview request list. Once the assessment has begun and the M&J Team interviewed staff and/or reviewed data, additional information and interview request lists will be developed and submitted to CMS.

As a result of the kick-off meeting, the M&J Team will develop a Project Plan to formally define the project's objectives, deliverables, timeline, resource allocations, and communication plan. The Project Plan will further break out the specific details within deliverables and timelines to give a comprehensive overview to stakeholders within CMS.

Outputs: Initial Information and Interview Requests, Project Plan

Phase 2 – Information Gathering

The Information Gathering Phase consists of obtaining information from CMS and from interviews and workshops. We will create a tracking matrix to identify what information has been received and the completeness of the information received compared to what was requested. We will include the tracking matrix in our monthly reports to the project sponsor to ensure proactive visibility into any potential delays or obstacles.

We will leverage significant amounts of data and information during the engagement that will guide our findings, analysis, and recommendations.

Key activities during this phase include initial information requests to identify and understand the following:

- CMS' mission, vision, objectives, and strategies (CMS' strategic plans and other goal and vision documentation)
- CMS governance structure
- Any operational or strategic waivers granted to CMS by NCDPI
- CMS Board policies or other local operational rules or guidance
- The CMS organizational model (documentation including organizational charts, workflows, staffing information, job descriptions, roles and responsibilities)
- Policies and procedures
- KPIs, operational metrics, and other relevant performance data
- Technology/systems inventory
- Financial and budgetary information
- Prior relevant CMS reviews, including SOC, operational, or data security reviews
- Prior audit findings and audited financial statements

Outputs: Additional Information and Interview Requests, Tracking Matrices

Phase 3 – Fieldwork & Data Analysis

Much of the Fieldwork and Data Analysis phase occurs concurrently with the Information Gathering phase. We will leverage data as it's gathered to generate a clear depiction of the current state of CMS' organizational and operational structure and processes. We will then overlay our understanding of the current state with applicable Federal, State, and Board/local laws, regulations, policies, and expectations to assess the gap between current state processes and practices, and those required and/or expected by the different governing requirements.

We will perform our initial fieldwork primarily by:

- Interviewing current staff to understand their core duties, operational processes, dependencies and handoffs both within Finance and HR and within other end-user departments, and their understanding of the requirements
- Performing stakeholder interviews and workshops to gather insights on existing processes, workflows, and pain points
- Performing field, workflow, and system observations
- Understanding the current organizational chart and functional alignment
- Analyzing organizational structures, resource allocation, and service delivery models
- Inventorying current systems, tools, and technologies used in in-scope functions

Other key activities during this phase include:

- Identifying inefficiencies, redundancies, and performance gaps in current operations
- Comparing current state with industry benchmarks and leading practices
- Highlighting opportunities for improvement and alignment with strategic goals

Conducting interviews and workshops

M&J will conduct interviews with CMS management and departmental staff to gain an understanding of people's roles and responsibilities, organization and reporting, staffing, and operating functions. We will meet with certain employees one on one and will conduct group interviews or workshops where it makes sense.

M&J will also identify key stakeholder groups, who may initiate elements of key financial or HR processes, and conduct workshops with stakeholder groups, to assess their perspective on communications, guidance, and relationships with Finance and HR, including how well Finance and HR explain and engage them in understanding core compliance elements and necessary operational practices. If desired by CMS, M&J can also conduct a stakeholder survey, to get additional insight into stakeholder perspective on culture, customer service, and effectiveness within Finance and HR.

The information gleaned from the interviews and surveys will be used as a guide. We will report common perception themes and trends but will not rely on any information gleaned without obtaining underlying supporting data as evidence for areas of potential noncompliance.

Performing field, workflow, and system observations

Part of our fieldwork will include performing direct observations and assessing/testing of business processes, workflows, compliance, and system usage. We want to understand first-hand how processes and workflows operate – not just how they are supposed to operate. We will shadow key operational tasks being performed where they occur, not just in a control environment.

Outputs: Documentation of current state and preliminary observations or findings

Phase 4 – Validation & Reporting

We will begin this phase while fieldwork is still being conducted. The purpose of this phase is to:

- Sharing preliminary observations through stakeholder meetings
- Receiving feedback on the preliminary observations
- Performing additional fieldwork or data analysis, as necessary, based on feedback received
- Preparing draft report
- Communicating draft report to the CMS project sponsor and appropriate stakeholders
- Obtaining written feedback from draft report
- Preparing final report
- Presenting final report to appropriate stakeholders

Interim Status Update Reports

We believe in constant communication and transparency throughout the project. As such, M&J will provide detailed status reporting each month to the project sponsor and leadership team. This will include a written report that we will review during monthly status update calls. This report will include:

- Activities accomplished in the past month
- Planned activities for the upcoming month
- Completed interviews
- A list of information received
- A list of additional information requested
- Preliminary observations or findings
- Updates on the project timeline and budget
- Outstanding items, issues, or risks

Engaging in this regular reporting cycle allows CMS the opportunity to provide feedback on preliminary observations and findings. M&J will incorporate this feedback and perform additional fieldwork or data analysis as applicable.

These reports will be high-level and suitable to excerpt or present to stakeholder groups such as the Board of Education as a project update. These reports will help to ensure alignment between M&J and CMS, aiding project completion on time and within budget.

M&J will also engage in informal meetings and informal telephone calls as needed to continue updating the project sponsor and leadership team about issues or recommendations.

Draft and Final Reports

We will present a draft report to CMS approximately two weeks prior to the final report, allowing time for review. After receiving feedback on the draft report, we will make any appropriate adjustments and will issue and present the final report and to CMS.

Our report will focus on meaningful, actionable recommendations highlighting potential or existing compliance gaps, risk mitigation strategies, internal controls and process updates to ensure consistent compliance and supporting documentation, as well as potential efficiency improvements. All of our observations and recommendations will be based on sound evidence. Our approach is implemented with meticulous care and rigor to ensure quality, data-driven recommendations that will help put the District in the best position.

We understand the importance of these types of projects and realize that reports may be in the public domain. We will take a no-surprises approach to this engagement – meaning we will have constant communication with the project sponsor through the project lifecycle.

You will not learn about any recommendation for the first time in our report. As we identify observations, we will share them with the project sponsor through status reports, formal meetings, or informal calls. Our process is rigorous to help ensure full review and analysis of the current state to facilitate detailed conversations and messaging strategies for sharing this information with other stakeholders.

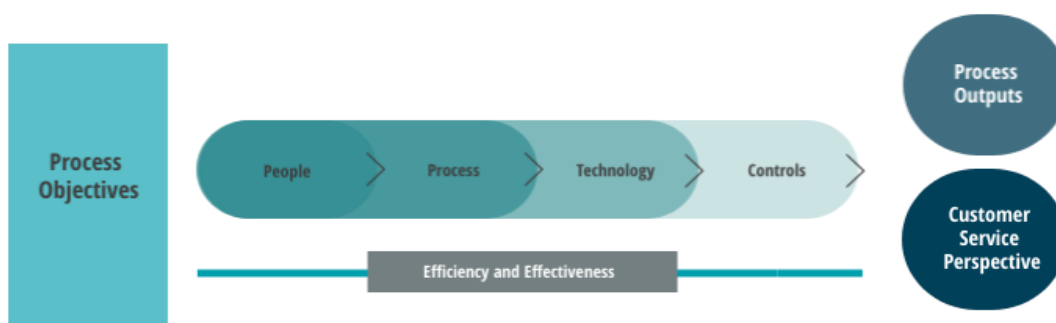
Outputs: Draft Report, Final Report, Recommendations, Monthly Status Update Reports

Additional Methodologies

M&J maintains multiple proprietary methodologies used for operational and performance assessment projects. In addition to the COMPASS transformation discussed above, we will leverage our Business Process Improvement methodology, to help ensure that any recommendations we consider for CMS are both enhancing compliance and also improving process efficiency.

Business Process Improvement Methodology

M&J will incorporate our Business Process Improvement Methodology into our approach. Our Business Process Improvement Methodology is designed to enhance the efficiency and effectiveness of workflow, while aligning to process objectives and ensuring that service to students, staff, and other stakeholders remains a primary objective. We review business processes through four relational lenses: People, Process, Technology, and Controls. We will leverage this methodology to ensure a comprehensive review of key business processes and ensure that all recommendations consider impacts on costs, people, technology, and internal controls, in addition to the compliance environment.



III. Estimated Project Timeline

We estimate that, based on the information provided by the District, the total project timeline is between 12 and 16 weeks, with a draft report delivered to the District between weeks 10 and 12, and a final report delivered between weeks 12 and 16. The timing between these reports ensures District feedback will be incorporated into the final draft report. This timeline is based on anticipated timely cooperation from your personnel (including complete and timely receipt of requested information and the scheduling and conduct of requested interviews) and the assumption that unexpected circumstances (including scope changes) will not be encountered during the project. If information or interview scheduled are not provided timely, we will note these potential risks during status reports, and we will discuss it with the designated client project sponsor to update the timeline and discuss any impact on estimated costs.

	Weeks 1-4		Weeks 5-8		Weeks 9-12		Weeks 13-16	
Phase 1 – Initiation & Planning								
Conduct Kick-off Meeting								
Create Project Plan								
Develop Initial Information and Interview Requests								
Phase 2 – Information Gathering								
Review/Analyze Provided Information								
Request Additional Information and Interviews								
Phase 3 – Fieldwork & Data Analysis								
Complete Interviews and Workshops								
Perform Field, Workflow, and System Observations								
Phase 4 – Validation & Reporting								
Deliver Draft Report								
Deliver Final Report (including recommendations)								
Deliver Executive Presentation (TBD upon District request)								

IV. Estimated Cost

Based on information provided by the District, M&J has developed the following cost estimate. M&J would propose to perform this work for an inclusive fixed fee cost between \$98,574 and \$119,697. This amount includes all staff time, travel and the upper-end estimate includes the deployment of an end-user survey that captures perspective on communications, customer service, compliance documentation and support, and other nuances of end-user interactions with the in-scope departments.

Refinement of scope with the District may result in adjustment to the final cost, although we do not anticipate a modification of more than 10% based on our understanding of the District's desired objectives and our proposal. Additional requested M&J Team assistance either during or after the engagement will require additional scoping conversations with additional related fees.

A service charge of 1.5% per month (18% annually) will be added onto any balances not paid within 30 days.

The fees included are based on anticipated cooperation from your personnel (including complete and timely receipt of requested information and the scheduling and conduct of requested interviews) and the assumption that unexpected circumstances (including scope changes) will not be encountered during the project. If significant additional time is necessary, or if additional scope elements are requested, we will discuss it with the designated client project sponsor and arrive at a new fee estimate before we incur the additional costs.

V. Key Personnel and Qualifications

Key Personnel

The following table provides biographies of each key team member that will serve on this engagement.

Professional	Background
Kate Russell <i>Engagement Lead</i>	<p>Kate Russell will serve as the engagement lead and will be responsible for overseeing the delivery of all services to CMS. Kate is a Director with M&J with more than 15 years of experience and has served on numerous government and K-12 operational and efficiency assessments, including nearly all referenced projects. Her experience includes both comprehensive assessment of enterprise government institutions and in-depth business process analysis of individual functions.</p> <p>Kate possesses 10 years in state government serving in C-level positions overseeing finance, grant management, special strategic projects, and program delivery. Kate has developed and implemented federal grants subrecipient compliance monitoring, capturing elements of subrecipient compliance with Federal, state, and organizational requirements. Kate has extensive experience creating and enhancing policies, resources, and procedures.</p> <p>Kate's significant experience assessing functional and service delivery performance, creating staffing models, creating future operating models, and implementing successful change prepares her to assist with a variety of challenges, tailoring solutions to meet each client's operating and service delivery environment.</p>
David Roberts <i>Project Support and Quality Assurance</i>	<p>David is the lead partner in M&J's Public Sector Advisory Services Practice, with more than 25 years of professional experience serving as a trusted advisor to governments across the country. Prior to joining M&J, David was a lead governmental advisory partner with a Big Four firm, where he spent 20 years leading countless similar projects.</p> <p>David has helped clients transform their organizational structures and operating functions, enabling more streamlined services, reduced risk, and redirecting employees to perform more value-added assignments. David has specifically led compliance assessments within K-12 school districts, including nearly all referenced projects, helping implement changes to align district operations with their future goals and visions.</p> <p>David understands the District's objectives for this important project and will ensure delivery excellence to best position the District.</p>

Professional	Background
<p>Jon Hightower</p> <p><i>Technology and Cybersecurity Subject Matter Expert</i></p>	<p>Jon Hightower is a Director in the Raleigh office and a member of M&J's Technology Services Practice, providing information technology and cybersecurity advisory services to clients throughout the Southeast.</p> <p>Jon is a Certified Information Systems Auditor ("CISA") and certified in Risk and Information Security Controls through the Information Systems Audit and Control Association ("ISACA"); a Certified Information Privacy Technologist ("CIPT") through the International Association of Privacy Professionals ("IAPP"); and certified in Factor Analysis of Information Risk ("FAIR") through the Open Society. His experience includes audits for governments and public sector institutions, financial institutions, public SEC companies, medical revenue tech, manufactures, and retail. Additionally, he has experience performing information systems regulatory compliance and framework reviews, SSAE 21 System and Organization Controls ("SOC") reporting, and technical audits and cybersecurity assessments for information systems.</p> <p>Jon brings to this project extensive experience assisting public sector institutions in evaluating the effectiveness and security of their financial, HR, records retention, and enterprise resource management systems. He understands the importance of systems' compliance with federal, state, local, and contract requirements and regulations.</p>
<p>LeAnn Bagasala</p> <p><i>State and Federal Financial Compliance Subject Matter Expert</i></p>	<p>LeAnn Bagasala is a partner with M&J specializing in serving local and state governmental entities. LeAnn has significant amount of experience serving governments in North Carolina. With 14 years of progressive experience in public accounting, including time at a Big 4 firm, LeAnn provides comprehensive assurance and accounting services to a variety of governmental entities. LeAnn spends 100% of her time serving a wide range of state and local governmental entities throughout the Southeast.</p> <p>LeAnn is a leader in her field, having presented seminars on a variety of topics. She has also been selected to lead instructional trainings both internally and externally. LeAnn is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants, and North Carolina Association of Certified Public Accountants. LeAnn is the past chair of the NCACPA governmental resources group. LeAnn frequently attends North Carolina Government Finance Officers Association conferences and events</p>
<p>Additional Resources</p>	<p>M&J will utilize support staff in the Government Practice as needed to complete the services outlined in this proposal.</p>

VI. Assumptions and Other Matters

Assumptions

Our services, fees, and work schedule are based upon the following assumptions, acknowledgements, representations, and understandings with you, Charlotte-Mecklenburg Schools:

- The services described in this proposal constitute an advisory engagement conducted under American Institute of Certified Public Accountants (“AICPA”) standards for consulting services.
- Our work will be to assist and advise you with this project. As stated below and for clarity, we will not, nor does CMS desire us to, perform any management functions, make management decisions, or otherwise perform in a capacity equivalent to that of an employee or officer of CMS.
- CMS will determine the extent of services it wishes M&J to provide and will undertake the responsibilities set forth in any future engagement letter.
- CMS will designate an employee or employees within its senior management who will make or obtain all management decisions with respect to this engagement on a timely basis.
- CMS will ensure that M&J has access to key people, facilities, and data, and that all levels of employees and contractors/relevant third parties will cooperate fully and timely. The success of this engagement is dependent upon full openness, communications, cooperation, and timely direction.
- CMS agrees that all assumptions set forth in this proposal are accurate and agrees to provide M&J with such further information we may need and which we can rely on to be accurate and complete. M&J will be entitled to rely on all CMS’ decisions and approvals to be made independently, and M&J will not be obligated to evaluate, advise on, or reject such decisions and approvals.
- CMS will evaluate the adequacy and results of services and will let M&J know immediately of any problems or issues CMS perceives in our personnel, services, or deliverables.
- M&J will provide recommendations as applicable. CMS is responsible for evaluating such recommendations and implementing the recommendations as deemed appropriate by the CMS.
- CMS will review the draft deliverables in a timely manner.
- Untimely review, or access to people and information, could have an impact on the project schedule.
- In no event shall M&J (or its personnel) be liable to CMS – whether a claim be in tort, contract, or otherwise – for any consequential, direct, lost profit, or similar damages relating to the services provided under this proposal, except to the extent finally determined to have resulted from the gross negligence or fraudulent behavior of M&J relating to such service.

The fulfillment and confirmation of these responsibilities, acknowledgements, and representations are critical to the success of the engagement. The successful delivery of M&J’s services, and the fees charged, are also dependent on CMS’ timely and effective completion of your responsibilities, the accuracy and completeness of the assumptions, and timely decisions and approvals by your management. You will be responsible for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in the assumptions or in carrying out your responsibilities.

Appendix A: Sample Work Products

This section provides a sample of relevant excerpted prior work completed by the proposed engagement team.

North Carolina Department of Public Instruction

As part of M&J's engagement with the North Carolina Department of Public Instruction, M&J presented the report's findings and recommendations to the North Carolina State Board of Education Business Operations Committee. The following is a copy of the presentation.



NORTH CAROLINA STATE BOARD OF EDUCATION

Report Presentation of the
Operational/Performance Audit of Winston-
Salem/Forsyth County Schools

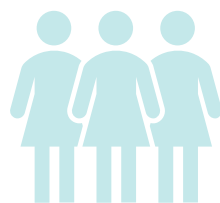
February 4, 2026



Executive Summary: Overview



The District's control environment requires strengthening to ensure long-term sustainability.



Phase 1 of the Tyler Munis ERP implementation has resolved key issues contributing to the FY2025 deficit.



Resource constraints persist, necessitating ongoing support from external consultants to offset internal staffing vacancies.

Executive Summary: Key Takeaways



Budgetary Alignment: As of November 30, 2025, the District confirmed a balanced budget for the 2025–2026 fiscal year.



Human Capital Constraints: The Financial Services department is currently experiencing staffing shortages and a void in senior leadership.



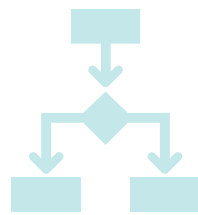
Hybrid Systems Environment: The District is currently running concurrent systems with the Tyler Munis ERP (Financials) and the legacy AS400 system (Payroll) operating concurrently.

Financial Services

Organizational Challenges



Vacant Leadership: as of December 31, 2025, both the CFO and Executive Director of Finance positions are vacant.



Operational Strain: resignation of the Payroll Manager and manual data rekeying between non-integrated systems. The department relies heavily on external consultants for strategic and day-to-day guidance. Retirees filling interim roles are restricted to 20 hours per week.

Technology & Controls

The Tyler-MUNIS
ERP System

What's Working



"Hard Stop" Controls: The system now physically prevents purchase orders if budget funds are insufficient.



Contract Management: Contracts must now be uploaded and linked to specific budget lines.



Real-Time Visibility: Transitioned from a "batch" system to real-time visibility of expenditures.

Technology & Controls

The Tyler-MUNIS ERP System

Current Risks



Data Validation: Financial data was imported into the new system without proper validation by Finance staff, leading to inaccuracies and duplications.



Bypassing Controls: Attempts to bypass new encumbrance controls by keying payments as Journal Entries.



Phase 2 Delay: The Payroll/HR go-live has been delayed from January 2026 to July 2026 due to readiness concerns.

Top Strategic Recommendations

- 1. Address Leadership Gaps:** Filling the permanent CFO and Executive Director (Finance) positions.
- 2. Establish Internal Audit:** Create an independent internal audit function reporting directly to the Board's Audit Advisory Committee.
- 3. Standardize Procedures:** Develop formal Standard Operating Procedures for all financial processes.

Top Strategic Recommendations

4. **Validate Data:** Retroactively validate Phase 1 data and proactively validate Phase 2 data before the July 2026 go-live.
5. **Organizational Study:** Commission a peer study to compare District staffing and spending (specifically in Transportation and Exceptional Children) against comparable districts.

24-Month Roadmap

Phase	Focus	Timeline
1: Stabilization	Hire CFO; stabilize Payroll staffing; lock Tyler data.	Jan – Mar 2026
2: Standardization	Develop SOPs; flowchart Position Control; conduct cohort study.	Apr – Jun 2026
3: Execution	Go-live for Payroll/HR (July 1); launch Internal Audit.	Jul – Dec 2026
4: Sustainability	Establish KPIs; right-size staffing; implement SLAs.	Jan – Dec 2027

Thank you!

Berkeley County School District Performance and Operational Assessment

As part of our engagement with the Berkeley County School District, in addition to a comprehensive report summarizing the current state, envisioning a number of future state organizational models and numerous findings to enhance efficiency and effectiveness, we prepared a summary presentation for the School Board, to highlight the project scope and approach and our recommendations and the potential next steps. The following is a copy of the final presentation of the previously referenced Performance and Operational Assessment performed by M&J for the Berkeley County School District.



Performance and Operational Assessment Presentation to School Board



3-22-22



Table of Contents

- I. Background
- II. Scope
- III. Approach
- IV. General Findings and Observations
- V. Conclusion





I. Background

Berkeley County is one of the fastest growing counties in South Carolina, according to census data:

- **Third-fastest** since **2010**, growing **38.22%**
- Projected to be **second-fastest** since **2020**, growing **21.77%**

Berkeley County School District has felt that growth:

Area of Growth	10-Year Growth
Students	22%
Schools	18%
Teachers	41%
General Fund	64%



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I. Background

Berkeley County is projected to keep growing:

- South Carolina Department of Commerce and Charleston Regional Development Alliance announced **seven** Berkeley County economic development locations and expansions in 2021, adding **hundreds of jobs** and more than **\$600 million** in investment
- New jobs coming to Berkeley County and the surrounding counties include high-paying specialty jobs – requiring strong educational foundations

As Berkeley County continues to grow:

- How does BCSD grow to meet the population's needs?
- How does BCSD encourage people to move to the County for the schools – and not just for the jobs or proximity to Charleston?



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I. Background

A change in leadership is a perfect time to reevaluate structure, processes, and goals

In Berkeley County:

- **Four** School Board members were newly elected within the last four-year election cycle (2018 and 2020 elections)
- Mr. **Deon Jackson** was named Superintendent starting with the 2021-2022 school year
- **Five** of the Superintendent's 10 Cabinet Members assumed their current roles in 2021



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II. Scope

Assessment objectives included the following:

- Understanding of the District's current state for all in-scope departments
 - Operating environment
 - Operating model
 - Organizational structures
 - Key workflow and business processes
- Identification of "what is working well", "what needs improvement", and "areas for potential risk concern"
- Comparison of District operations to leading practices
- Identification of areas that are performing well to replicate throughout the District
- Identification of areas for improvement
- Meaningful recommendations to improve/enhance District operations and performance
- Strategic Roadmap for implementation of recommendations

In-scope Departments included:

- Finance
- Human Resources
- Technology
- Internal Audit
- Transportation
- Facility Services
- Security and Emergency Management
- Diversity
- Academics and Innovation
- Administrative Services – Schools
- Communications and Community Engagement



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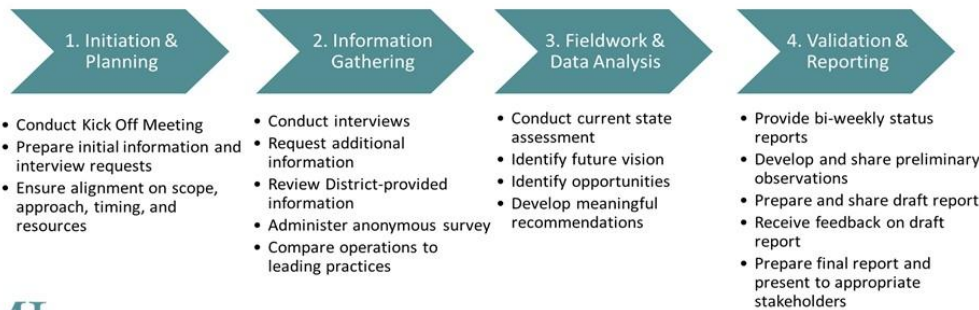
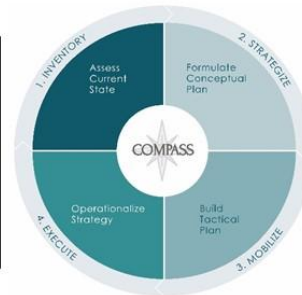


III. Approach

COMPASS – M&J's Proprietary Assessment and Transformation Methodology

Based on:

- Best practices,
- Client input, and
- Proven project and change management activities



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IV. General Findings and Observations

The Employee Survey was sent to 435 employees. We received **209 responses – 48%** of all recipients. A response rate above 20% is the standard for a positive response rate.

The Employee Survey was comprised of a series of qualitative open-ended questions and a series of quantitative rating questions, all of which were used to determine common trends and themes.

The #1 listed greatest strength of the District was the “Employees”.

The three highest ranking responses included:

- *I am proud to work for BCSD*
- *I clearly understand what is expected of me in my role*
- *I understand how my work relates to the success of BCSD*

The three lowest ranking responses included:

- *I feel that staffing levels are adequate for my department and/or role*
- *Leadership clearly communicates decisions and changes in a timely manner*
- *I have opportunities to advance within BCSD*



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IV. General Findings and Observations

From 2013 – 2021, the number of *Students*, *Teachers*, and *Schools* and the *General Fund* all remained relatively the same or had significant increases each year; while the number of District Office employees remained relatively the same or had significant decreases each year.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	9 Year % Change
Students	29,918	30,751	31,401	32,178	32,969	33,440	34,508	35,592	35,696	19%
Teachers	1,997	1,965	2,034	2,125	2,162	2,198	2,260	2,293	2,405	20%
Schools	40	40	40	41	43	44	46	46	47	18%
General Fund	\$206M	\$215M	\$224M	\$238M	\$259M	\$278M	\$293M	\$322M	\$315M	53%
District Office Staff	239	237	187	196	183	172	175	147	157	-34%



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IV. General Findings and Observations

Organizational Maturity Model



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IV. General Findings and Observations – Key Themes

Finance

- Due to resource constraints, the CFO is operating in the weeds and performing tasks that positions below should be performing. The CFO should be positioned to be more strategic.
- Job responsibilities and assignments are based on individual staff competencies instead of functional alignment. A detailed Finance Department functional assessment should be performed to realign the organization, staffing, and roles/responsibilities.
- The District is not maximizing use of its new financial system – MUNIS. A post implementation functional audit should be performed.
- The Department needs to have authority and governance to enforce financial policies.
- The Department needs dedicated contract/vendor management oversight.

Internal Audit

- The focus has primarily been on school financial compliance audits. The Department needs a new Internal Audit Plan that is more strategic and based on a comprehensive Risk Assessment.
- The Department consists of two positions – both of which are currently vacant. The District should consider outsourcing the Internal Audit function to obtain on-demand specialized resources tailored to each audit's scope of work.
- The Internal Audit function currently reports to the Superintendent. The function should report to the Board via an Audit Committee.



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IV. General Findings and Observations – Key Themes

Transportation

- There are staffing shortages at nearly all levels. The Department needs to prioritize hiring more staff, at both Central Office and sites.
- Each Transportation site needs at least two dedicated staff – one Clerk and one Operations Officer. For busier sites, one Clerk should be dedicated to manage the driver radio traffic.
- Transportation needs to conduct site and parking lot assessments for all sites.
- The Department needs to better coordinate with Finance to develop consistent review processes to ensure the District is drawing down all eligible state and federal funds to support transportation.
- The Department should consider a feasibility study to compare operating with internal resources versus using a third-party service provider.

Administrative Services - Schools

- The lead roles are divided between two employees supporting Elementary and Secondary schools. There is the potential for inconsistent or conflicting guidance or strategic priorities. The District needs to ensure consistency in strategic direction and performance.
- Due to resource constraints, the Department is reactive. Additional resources will allow the Department to be more strategic and proactive.
- Case work is documented manually. The Department should implement a case management technology solution.
- Need clear lines of communications from principals to Department and District staff.



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IV. General Findings and Observations – Key Themes

Human Resources

- Human Resources is reactive and does not function as a proactive “strategic partner” to departments. Human Resources needs a shift in mindset to be a proactive “business partner” to other departments.
- Staff work assignments are based on transactions, rather than strategic direction and proactive evaluation of workloads. Role and responsibilities should be based on positions and not individuals and workloads should be balanced.
- New employee onboarding and the New Employee Orientation do not adequately prepare new employees for their positions. The onboarding process should be revamped to better equip and educate new employees.
- Human Resources should evaluate its District-wide professional development program to ensure positions have opportunities for growth and learning.

Communications and Community Engagement

- The Department provides guidance/standards for external communications but there is no formal policies for internal communications. The Department should create and maintain a communications policy/Standard Operations Manual for all internal and external communications.
- There are inconsistent methods of internal communications during emergency situations. The Department should create a policy, protocols, and procedures for both internal and external communications related to emergency situations and/or lockdowns.



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IV. General Findings and Observations – Key Themes

Security and Emergency Management

- The Department should continue to expand collaboration with the Communications Department to ensure adequate and appropriate internal and external communications with leadership, staff, and all relevant stakeholders, parents, media, etc. during emergency situations.
- The District should prioritize creating and filling additional Security and Emergency Management positions.
- Under current policy, Department employees can not take home District-issued vehicles which wastes significant time. The District should re-evaluate its current vehicle “take home” policy.

Diversity

- The Department’s name only includes a portion of key responsibilities which also include areas related to mandated federal and state compliance programs. BCSD should consider changing the Diversity Department name to “Diversity, Equity, and Inclusion Compliance”.
- Job responsibilities and assignments are based on individual staff competencies instead of functional alignment. The Department should assess all departmental functions to realign the organization, staffing, and roles/responsibilities.



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IV. General Findings and Observations – Key Themes

Technology

- Many current systems/applications have been built in-house. The Department needs to adopt a more collaborative approach to selecting and managing systems. When making technology decisions, customer needs should weigh the most along with cost, ease of use, and security criteria.
- The Technology Department should consider establishing an Executive Director role over some, or all of the technology functional areas that currently report to the Chief Technology and Infrastructure Officer (“CTIO”), allowing the CTIO to focus less on personnel management and more on strategic planning.
- The Department should consider expanding the size of the team responsible for the District’s network security.
- The Technology Department should consider establishing a Munis System Administrator position to be responsible for all current and future implementation and use of the Munis enterprise resource planning system from Tyler Technologies.

Facility Services

- The District needs a formal, collaborative, comprehensive capital improvement plan.
- New Construction and Capital Projects are awarded based on low bid. The District should consider changing its selection criteria to balance quality with cost.
- The construction change order process requires readings at two Board meetings which delays construction or forces the vendor to carry the costs. The change order policy should be re-evaluated to balance controls with timeliness and costs.



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IV. General Findings and Observations – Key Themes

Academics and Innovation

- Office programs are implemented inconsistently among schools due to inconsistent buy-in from school administrators. The Office should be granted necessary governance over the implementation of programs intended to improve students’ educational opportunities.
- The Office is in the process of reviewing common curricula in order to develop a short list of approved curricula, thereby ensuring more consistency across schools. The Office should identify “super trainers” who can champion their preferred curriculum and provide support for others implementing the same curriculum. These “super trainers” can be District Office staff, school administrators, or teachers.
- Multiple Office positions are 100% federally funded limiting the ability to work on non-federal related tasks. The Office should assess its staffing needs and supplement with non-federally funded positions as possible.



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IV. General Findings and Observations – District Wide

Need to be less reactive and more strategic

District Office is operating lean – key leaders are functioning in the weeds due to resource constraints. Need to operate as “business partners”.

Need additional staffing

District Office staffing is currently at a 9-year low (2020 and 2021) even though students, schools, teachers, and the general fund have all experienced significant growth.

Need better alignment and accountability

Specific roles and responsibilities are tailored to individuals’ competencies resulting in misalignment of positions and uneven workloads.

Need enhanced communication

Many District Office employees believe that communication within the District Office and with the schools needs to be more clear, frequent, and timely.

Employees need growth opportunities

Many District Office employees have no defined career paths and limited opportunities for growth.

Need more professional development

Many District Office employees do not have professional development programs and/or have limited dedicated time due to job demands.



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V. Conclusion

We commend the leadership of Berkeley County School District for commencing this Operational and Performance Assessment as this process has been in-depth and brought to light the positive accomplishments of the in-scope departments, and the opportunities for improvement needed to achieve operational excellence.

The in-scope departments are operating efficiently in many ways, but also have many opportunities to improve. The District now has an understanding (for the in-scope departments) of its current state, and a roadmap to continuously improve into the future. Now the real challenge is here – implementing the report’s recommendations and systematically enhancing the in-scope departments’ operations, and performance.

Just as the District’s Vision Statement is to “*create a future where we dare to imagine – and make a positive difference*”, the Operational and Performance Assessment will allow the District to rethink certain operational components and make positive change for the good of the District’s students, parents, employees, and stakeholders.



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Charleston County School District Procurement Audit

As a part of our final report during our engagement with Charleston County School District, we prepared a summary report updating the Audit and Finance Committee regarding the Procurement Department's compliance with specific procurement codes and general issues. The following reflects the presentation report used for the Audit and Finance Committee presentation



CHARLESTON COUNTY SCHOOL DISTRICT

§ 5230 PROCUREMENT AUDIT

UPDATE TO THE AUDIT AND FINANCE COMMITTEE

February 7, 2023



TABLE OF CONTENTS

- I. §5230 Universe of Awards
- II. §5230 Issues
- III. General Issues
- IV. Procurement Department

I. §5230 UNIVERSE OF AWARDS: LANGUAGE

- §5230.1 of the Charleston County School District Procurement Code (“Code”) allows for the ease of the procurement process when working with certain minority vendors, but restricts eligibility to “South Carolina Small and Minority Business Assistance Office (“OSMBA”) certified, South Carolina-based minority firms”
- The Procurement Department determined which contracts to designate under §5230 on a case-by-case basis. The Code lists several criteria which may be used in making this designation. They include:
 - “The total dollar value of procurements in the District”
 - “The availability of South Carolina-based minority firms”
 - “The potential for breaking the contracts into smaller units... to accommodate such firms”
 - “Ensuring that the District shall not be required to sacrifice quality of goods or services”
 - “Ensuring that the price has been determined to be fair and reasonable, and competitive both to the District and to the contractor”

I. §5230 UNIVERSE OF AWARDS: §5230 PURCHASE ORDERS

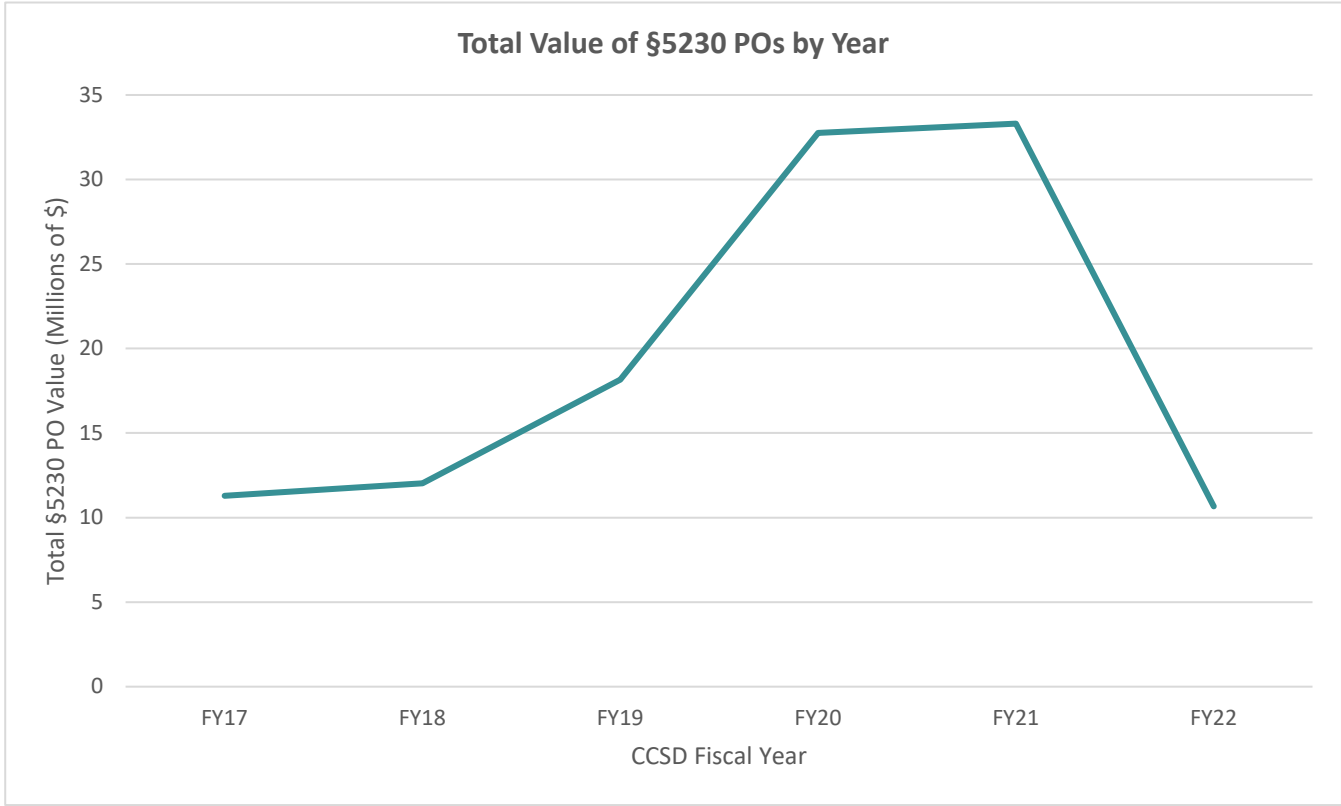
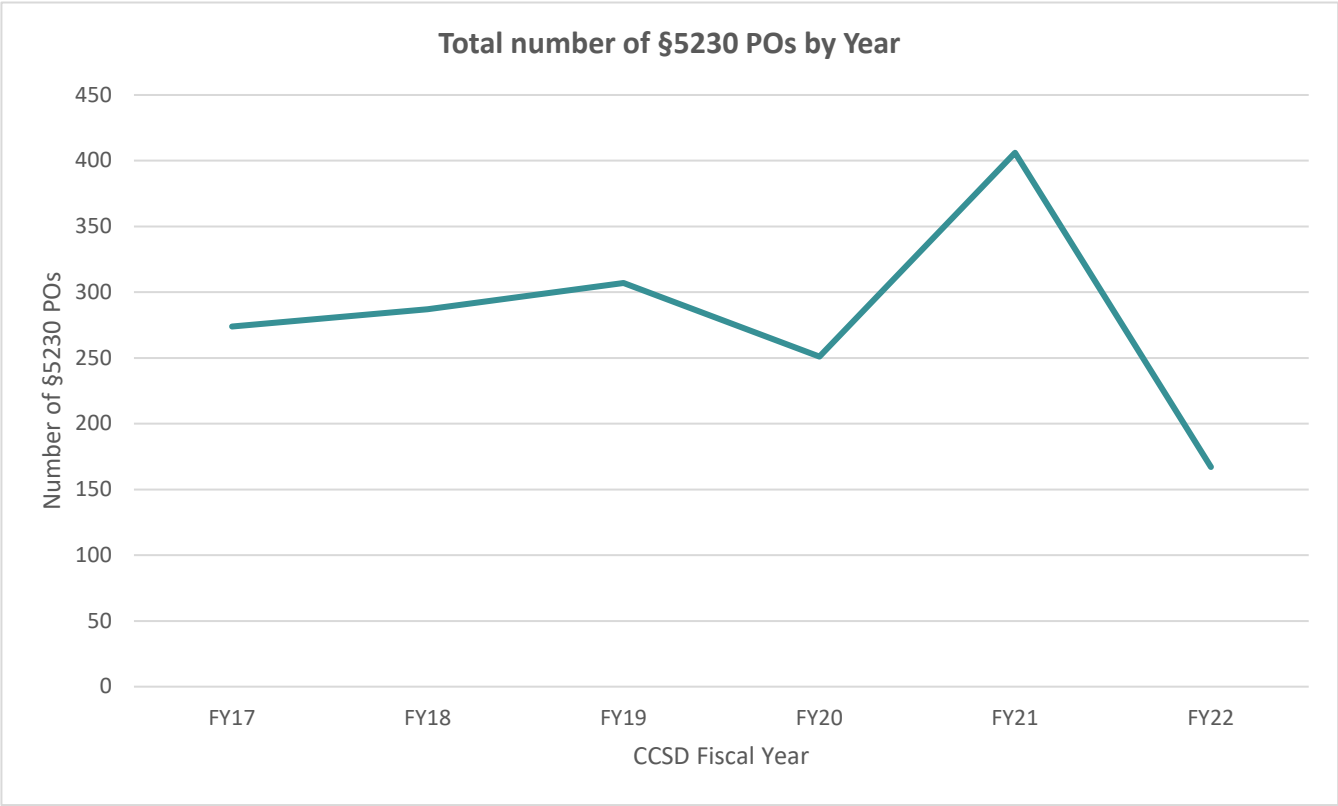
- Our §5230 PO analysis includes vendor activity running from the implementation of the program in FY17 through FY22
 - Implementation of §5230 was ended midway through FY22, but this change was implemented irregularly across departments

§5230 POs			
109	1,692	\$121M	\$72,000
Vendors	PO Count	Total PO Value*	Average PO Value**

*The total PO value reported reflects the total ordered value of all 1,692 §5230 POs after change orders

**The average PO value reported reflects the mean value of all 1,692 §5230 POs

I. §5230 UNIVERSE OF AWARDS: §5230 PURCHASE ORDERS (CONT.)



I. §5230 UNIVERSE OF AWARDS: §5230 PURCHASE ORDERS (CONT.)

We examined 1,434 §5230 POs issued from FY17 through FY21 in greater depth

- The total original ordered value of these 1,434 POs is \$90 million, with an average value* per PO of just under \$63,000
- A total of 539 change orders (“COs”) are applied to those 1,434 POs
- Those COs result in a net increase in PO ordered value of approximately \$16 million, resulting in a total ordered value of \$106 million
 - The amount CCSD has paid out on these 1,434 POs is \$104 million, approximately \$2 million less than the total ordered value (post change orders)

*The average value reported represents the mean value of the 1,434 §5230 POs we examined in greater detail

II. §5230 ISSUES

- A. Vendor Classification
- B. Eligibility Verification
- C. Improper Documentation
- D. Inconsistent Evidence of Quotes
- E. Inappropriate Use of Change Orders

II. §5230 ISSUES: A. VENDOR CLASSIFICATION

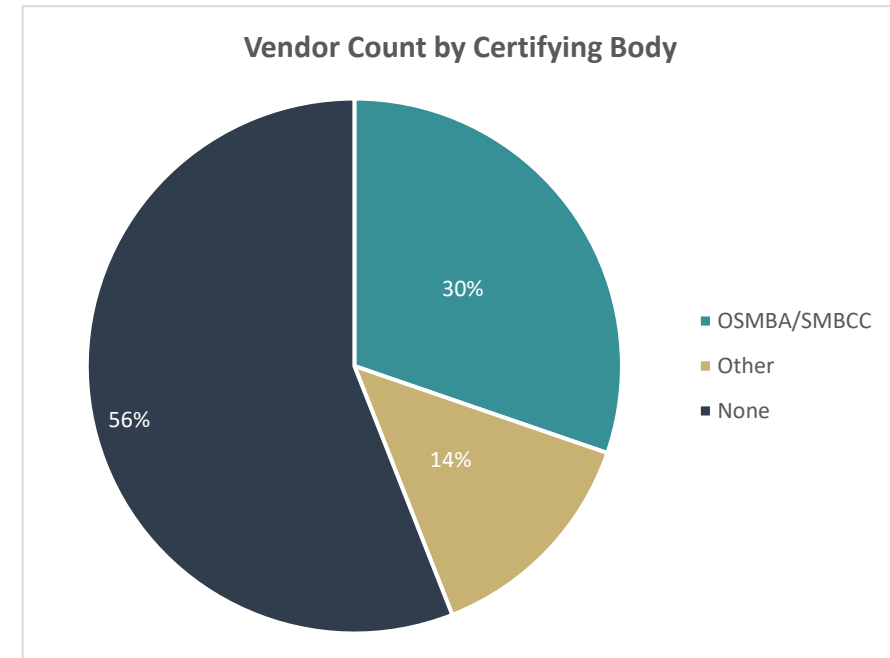
- The current configuration of Munis (the District's financial management system), does not designate a checkbox for indicating §5230-compliant certification or §5230 eligibility
- Each vendor may be tagged by the Procurement Department with any combination of 15 classifications, the majority of which may indicate disadvantaged business status
 - AA: MBE African-American Owned
 - ASN: MBE Asian-American Owned
 - FEM: MBE Woman Owned
 - HSP: MBE Hispanic Owned
 - HUB: Hub Zone Small Business
 - MIN: Minority
 - MSBC: Minority Owned Small Business – Certified
 - MSBN: Minority Owned Small Business – Non-Certified
 - NAM: MBE Native American Owned
 - NP: Non-Profit
 - OTH: Other Business Enterprise
 - SBC: Small Business – Certified
 - SBNC: Small Business – Non-Certified
 - WSBC: Woman Owned Small Business – Certified
 - WSNB: Woman Owned Small Business – Non-Certified

II. §5230 ISSUES: A. *VENDOR CLASSIFICATION (CONT.)*

- No vendor classification or combination of vendor classifications indicates §5230 eligibility
- The Vendor Application document allows for vendors to select which of these classifications apply to their business – however, there are no formal certification requirements during the vendor entry/maintenance process or PO creation process
- The vendor classifications assigned to each vendor in Munis do not always align with those indicated on the vendor applications uploaded to the system

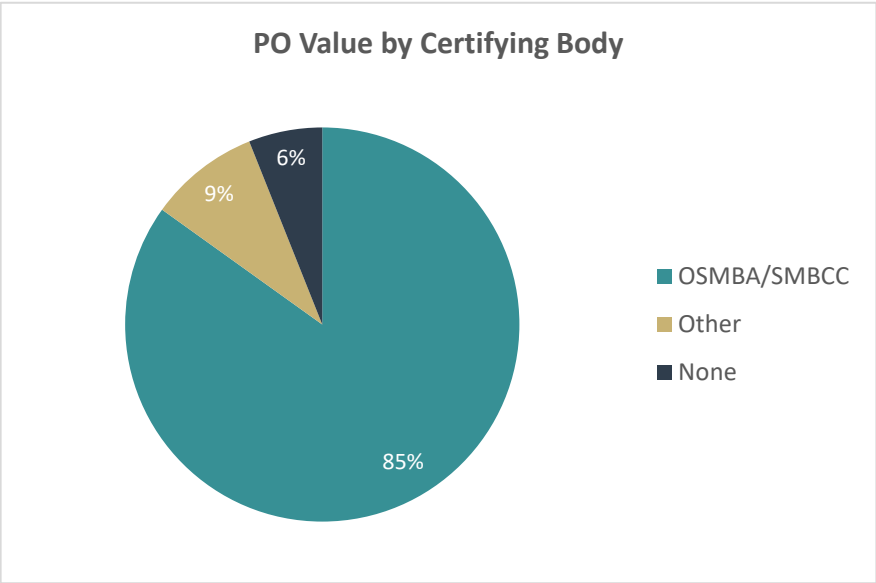
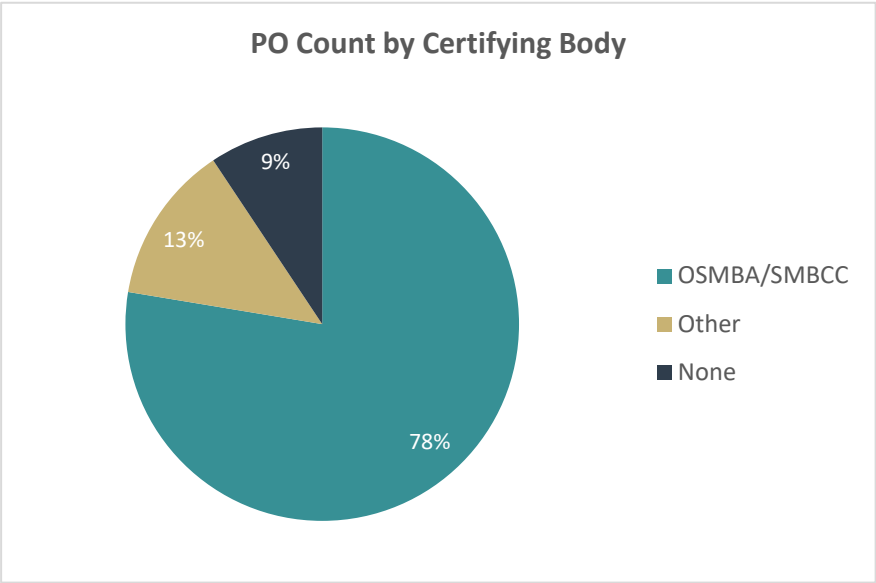
II. §5230 ISSUES: B. ELIGIBILITY VERIFICATION

- §5230 requires certification from the OSMBA
 - Since the adoption of the Code, the South Carolina Division of Small and Minority Business Contracting and Certification (“SMBCC”) has assumed OSMBA’s certification responsibilities
- Of the 109 vendors that have been awarded §5230 POs, only 33 vendors (30% of vendors) have records on file proving OSMBA/SMBCC certification
- 15 vendors (14% of vendors) have evidence on file of only certification issued by another certifying body, including, but not limited to:
 - The South Carolina Department of Transportation
 - Charleston County
 - The City of Charleston
- 61 vendors (56% of vendors) have no evidence of any certification by one of the aforementioned entities



I. §5230 UNIVERSE OF AWARDS: §5230 PURCHASE ORDERS (CONT.)

- 1,113 POs from the set of 1,434 that we examined in greater detail, totaling approximately \$89.8 million in total*, were awarded to vendors for which Munis contains evidence of OSMBA/SMBCC certification
- 187 POs, totaling approximately \$9.6 million were awarded to vendors who were certified by an organization that was not OSMBA/SMBCC
- 134 POs, totaling approximately \$6.6 million were awarded to vendors without any documentation of certification



Without Any Certification		
61	134	\$6.6M
Vendors	POs	PO Value

*The reported value represents the value after the net of all PO Change Orders

II. §5230 ISSUES: *B. ELIGIBILITY VERIFICATION (CONT.)*

- In addition to awarding §5230 POs to vendors with no evidence of certification, vendors have been awarded POs after the documented expiration of their certification
 - Approximately 130 POs from the set of 1,434 that we examined in greater detail, worth a total of over \$15.5 million, were awarded to vendors whose certification in Munis had already expired
 - These POs represent approximately 10% of the total POs issued to vendors with certification (including both OSMBA/SMBCC certifications and those from other organizations)
 - The \$15.5 million in approximate value represents approximately 15.6% of the total PO value awarded to vendors with certification (including both OSMBA/SMBCC certifications and those from other organizations)

II. §5230 ISSUES: C. *IMPROPER DOCUMENTATION*

- There are a handful of POs that appear to cite §5230 negotiations by accident – while the notes within Munis cite §5230, the accompanying documentation indicates negotiations using §3230 of the Code
- The District often proactively opens blanket purchase agreement (“BPA”) POs with local vendors for potential post-hurricane repairs – many of these POs cite §5230, some cite exception 710.1.12 for emergency repairs, while others list a declared state of emergency
- Department staff reported the use of §5230-eligible vendors to create limited bidding lists for capital maintenance projects – documentation in Munis did not provide evidence to support this as a consistent procurement process

II. §5230 ISSUES: *D. INCONSISTENT EVIDENCE OF QUOTES*

- Of the 1,434 §5230 POs that we examined in greater detail, 90% maintained some sort of quote or estimate attached to their file
- When they are first created in Munis, POs do not always reflect the project details found in the attached quote; similarly, the initial PO value does not always match the vendor's cost estimate
- When they were first created, POs that lacked quotes tended to be about 9% smaller than POs with a quote attached

II. §5230 ISSUES: D. INCONSISTENT EVIDENCE OF QUOTES (CONT.)

- Blanket purchase agreements (“BPAs”) appear to be roughly half as likely to have a quote attached to their file than standard procurement contracts
- Of the 1,434 §5230 POs that we examined in greater detail, those POs that do not have a documented quote are changed more frequently than POs with quotes

	PO Count	Share of Total POs	CO Count	% with CO
Quoted	1,281	89%	383	18%
Not Quoted	153	11%	156	37%

II. §5230 ISSUES: *E. INAPPROPRIATE USE OF CHANGE ORDERS*

- There were 539 change orders applied to the 1,434 §5230 POs that we examined in greater detail – adding approximately \$16 million to the original value of those POs, which represents an increase of approximately 18%
- A review of these COs suggests that more than 1/5 of PO increases represented a change in project scope
- The Department has repeatedly used COs on §5230 POs to award vendors major additional phases of an ongoing project as increased funding becomes available
- 36% of the COs applied to the 1,434 §5230 POs that we examined in greater depth modify existing BPAs
- The documentation supporting changes to §5230 POs is inconsistent and frequently lacking
 - During sample testing, we identified several instances in which the value of a PO appeared to increase but no CO request documentation was uploaded to the system

III. GENERAL ISSUES

- The Department's documentation regarding vendor classification, §5230 eligibility, quoting, and PO maintenance is frequently incomplete and occasionally inaccurate
- The Department does not handle and store documentation in Munis in a consistent manner, resulting in the necessity for more in-depth searches to avoid overlooking relevant information
 - We are not aware of any evidence that this inconsistent handling of essential vendor documentation is limited to files related to §5230 – instead, we believe that this may be a districtwide concern
- Apart from the Code, the Department does not provide any formal and standard guidance to employees on procurement processes and procedures – instead, employees rely on informal documentation, word of mouth, and tradition, which results in inconsistent practices during the procurement function

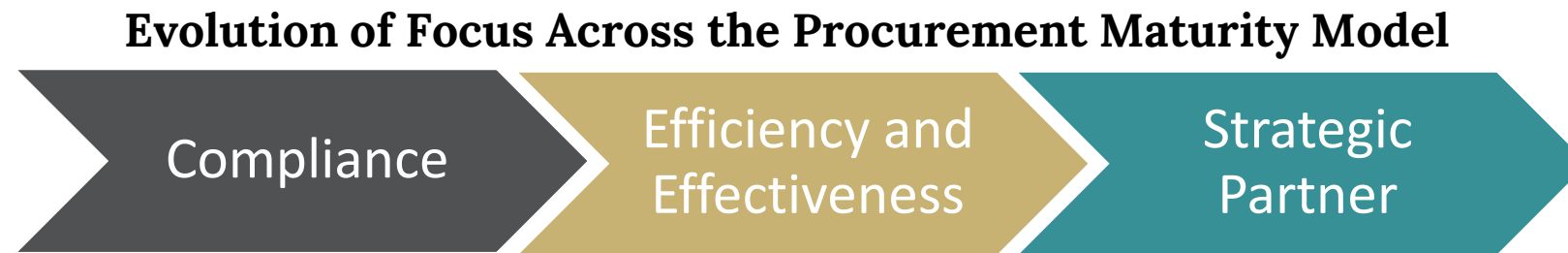
IV. PROCUREMENT DEPARTMENT

As part of the §5230 Procurement Audit, M&J conducted interviews with all Procurement Department professionals to gain a high-level understanding of departmental functions, roles, and responsibilities. Key observations are noted below.

- The District adopted the SC Consolidated Procurement Code as its own District Procurement Code and its governing authority for procurement policy – as do many other governments and school districts in the state. The SC Consolidated Procurement Code serves as a policy framework to guide operations – it does not stipulate detailed organization-specific procurement policies and procedures. The Procurement Department lacks detailed policies and procedures that can be used to operationalize the overarching policies of the SC Consolidated Procurement Code and carry out day-to-day procurement responsibilities in a consistent and known manner
- The lack of detailed District-specific procurement policies and procedures results in inconsistent procurement practices as shown in the §5230 procurement analysis:
 - Vendor Classification
 - Eligibility Verification
 - Documentation
 - Evidence of Quotes
 - Use of Change Orders
 - Quality Assurance or Review of Individual Actions

IV. PROCUREMENT DEPARTMENT

- In addition to the Procurement Department lacking detailed policies and procedures, there is also a lack of consistent onboarding and formal job-specific trainings/job aids. This results in employees in new roles being trained by others as they perform the role/function without any detailed criteria or standards. The lack of formal job-specific trainings/job aids can result in enforcing misaligned practices and/or inconsistent practices
- The Procurement Department lacks a modern electronic procurement system for bidding, evaluating proposals, and documentation management throughout the procurement lifecycle
- Communications and positive collaboration between the Procurement Department and other District departments is low
- The Procurement Department has much room to grow across the Procurement Maturity Model



IV. PROCUREMENT DEPARTMENT

Next Steps

- The Procurement Department should develop formal detailed policies and procedures that operationalize the requirements of the adopted District Procurement Code
- Once formal detailed Department policies and procedures have been adopted, training should be provided to all Department staff and end-users
- Formal onboarding curriculum/materials and job aids should be created by position and provided to each Department employee that align with the adopted policies and procedures
- The District/Procurement Department should evaluate the opportunity to modernize all procurement processes throughout the procurement lifecycle
- The District/Procurement Department should work to create a common baseline understanding of Procurement Department policies and procedures between the Department and its end users, and work to foster enhanced communication and collaboration

Georgia Department of Education Financial Assessment

The following is the final report presented to the Georgia Department of Education summarizing the current financial environment, capabilities, and progress towards audit finding recommendations for the Talbot County School System.

Talbot County School System Financial Assessment



Prepared for:

**Georgia Department
of Education**

October 2025



CONTENTS

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I. Overview and Background

The Georgia Department of Education is responsible for administration and oversight of public educational services and funds within the State of Georgia. As part of this responsibility, the Georgia Department of Education is responsible for assisting districts in ensuring an appropriate and effective system of financial management, and helping to ensure that local boards of education, along with other local units of administration, comply with the uniform regulations established by the State Board of Education.

The Talbot County School System (“District”) is the public school district serving Talbot County. The District is headquartered and maintains all facilities in Talbotton and serves the communities of Talbotton, Geneva, Junction City, Box Springs, and Woodland. The District serves approximately 400 students, with 42 full time teachers. The District operates prekindergarten through twelfth grade in one school building. The District’s administrative functions are housed on the same site in the central office area of the building.

The Georgia Department of Education (“DoE”) engaged Mauldin & Jenkins (“M&J”) to conduct a Financial Assessment of the District’s financial activities for the past five years, including funding sources, management and use of funds, and overall financial management. The Assessment evaluates the core finance-related functions and processes within the District, fiscal management, and financial activities, specifically those related to grant funding, grant reporting, operating funds, and capital funds. The District received significant audit findings related to these areas for fiscal years 2021, 2022, and 2023; the FY24 audit was ongoing at time of fieldwork.

This report represents our fieldwork conducted July 18th through September 26th, 2025. During the course of our fieldwork, the Superintendent (Dr. James Catrett) departed the District at the end of August 2025, and the Assistant Superintendent/Principal Jonathan Taylor began serving as Interim/Acting Superintendent in September of 2025.

II. Scope and Approach

This section details the scope and approach performed by Mauldin & Jenkins to conduct the Talbot Country School System Financial Assessment.

Scope

The scope of the Financial Assessment included a review of the District's financial transactions from the past five years as well as an assessment of the District's financial management competencies, key business processes, and internal controls. The scope of the Assessment includes the following:

- Review of financial activities and related financial process over the past five years
- Identification of fiscal trends and outliers
- Assessment of financial processes
- Compliance with applicable governing laws and regulations

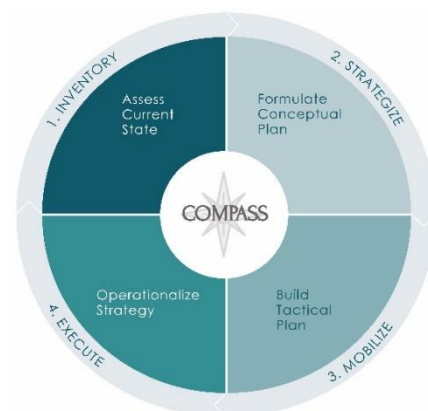
Objectives

Assessment objectives include the following:

- Review financial activities and supporting documentation from the past five years (system generated reports, bank statements, reconciliations, grant reporting, etc.)
- Document financial processes/controls related to the management of the funds
- Document fund activity compliance with applicable governing laws and regulations
- Perform data analysis to attempt to identify any questionable transactions related to fraud, waste, and abuse
- Compare the District's current environment to leading practices
- Identify areas for improvement and/or risk concerns
- Develop meaningful recommendations to improve/enhance operations and management

Approach

Our approach for the Assessment was based on Mauldin & Jenkins' proprietary transformation methodology – COMPASS. The COMPASS methodology was developed based on leading practices, client input, and proven project and change management activities; and served as our framework for the Assessment.



We developed a workplan for the Assessment which consisted of the following four phases:

1. Initiation and Planning
2. Information Gathering
3. Fieldwork and Data Analysis
4. Validation and Reporting

As part of the Assessment, we performed the following key tasks to aid us in formulating our observations and recommendations:

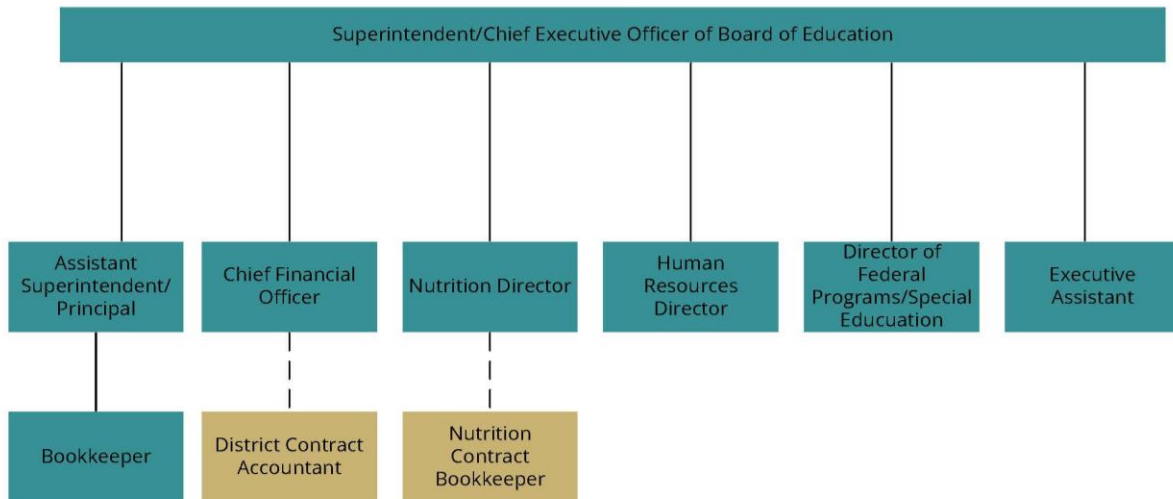
- Requested and reviewed significant amounts of data and information, such as:
 - Organization charts
 - Job descriptions including roles, responsibilities, and competencies
 - Policies and procedures
 - Financial and budgetary information/reports/statements for the past five years
 - Technology/systems inventory
 - Results of other audits or financial reviews
 - Other relevant information
- Conducted eleven interviews with the in-scope District leadership, key District personnel, and employees involved in financial and budgetary processes
- Conducted “walk-throughs” of the School
- Performed “job shadowing” observations of various functions and tasks
- Tested a number of samples to verify processes were consistently implemented as designed, and to review for potential fraud, waste, or abuse
- Delivered bi-weekly status updates to the Department of Education throughout the engagement

This report represents the culmination of our work and presents numerous recommendations and a Roadmap for implementation. This report details our analysis and fieldwork completed between July 18th and September 26th, 2025.

III. Organizational Structure/Job Descriptions

Talbot County Schools is led by a Superintendent, who oversees all administrative and school leadership staff. The District’s Administration organizational chart, as it relates to finance functions and associated responsibility, is shown below.

Talbot County School System
Administration Organizational Chart



The Superintendent serves as the Chief Executive Officer of the District Board of Education, overseeing all operations, personnel, and educational programs. In this role, the Superintendent plays a central role in both the budget development process and oversight of procurement practices, working closely with the Chief Financial Officer (“CFO”) and department heads. Prior to July 1st, 2025, the Superintendent served as the District’s Director of Special Education. At the beginning of the fieldwork period, the Superintendent was on a 49% work schedule, or part-time employment contract, which was maintained until the Superintendent retired in August 2025.

The Assistant Superintendent/Principal supports the Superintendent in district-wide leadership and serves as the principal of the middle/high school. The Assistant Superintendent/Principal also oversees the school accounts used for athletics and club/afterschool program funds. The Assistant Superintendent/Principal began serving as Interim/Acting Superintendent in September of 2025.

The Chief Financial Officer (“CFO”) leads all financial operations of the District, including budgeting, purchasing, payables, and payroll. This role prepares the annual budget in collaboration with the Superintendent and department leaders, provides information for audits, oversees funding requests and grant reporting to the Department of Education, and ensures adherence to state and federal financial regulations. The CFO is also currently over the District’s IT function, overseeing an IT Support Specialist position. Prior to July 1, 2025, the CFO role was a contractor; the current CFO converted from a contractor position and became a full-time District employee in July 2025.

The Nutrition Director oversees the financial and operational management of the District's nutrition programs. Responsibilities include developing and managing the food service budget, monitoring revenues and expenditures, ensuring cost-effective operations, and maintaining compliance with federal meal reimbursement requirements. This role works closely with the CFO to track financial performance and submit necessary financial documentation for federal and state reporting.

The Human Resources Director oversees payroll and benefits administration, working closely with the CFO to deliver payroll. The Director prepares the payroll via reporting, validating, and inputting all information for District employees and running the monthly Payroll Balance Sheet Report. The Director prints all payroll checks and paystubs for direct deposit recipients and is responsible for creating purchase orders for accounts payable requests.

The Director of Federal Programs manages the planning, implementation, and evaluation of Title I and certain other federal programs. In July of 2025, this role was revised to serve as the Director of Federal Programs and Special Education, to include planning, implementation, and evaluation of special education services within the District. This includes budgeting for federal funds usage and ensuring compliance with federal regulations.

The Executive Assistant to the Superintendent provides high-level administrative support and assists with coordination of District financial documentation. The Executive Assistant prepares agendas and minutes for District Board of Education meetings, assists with budget advertisement placement, and supports Accounts Payable and Receivable, including invoice and purchase order tracking.

Other Support

The Middle/High School Bookkeeper is responsible for managing the day-to-day of the middle/high school bank account, including processing requests for payment and preparing deposits of funds collected through fundraisers, ticket sales, or other school activities where funds may be collected.

The District relies heavily on the use of contract and part-time employees to support financial functions and to help with appropriate separation of duties. The District regularly rehires retired employees at 49% work schedule contracts to assist with onboarding and training those into the role they recently retired from. When that option is not available, the District also uses contract employees, including a contract bookkeeper for nutrition and a contract accountant.

The contract accountant assists with bank reconciliations, and provides additional support for other entries or financial questions. The Nutrition Department's contract bookkeeper assists with invoice preparation for payment, bank reconciliation, and other general support the Nutrition Director may need. Both the contract accountant and the contract bookkeeper were long-time employees of other local school districts, bringing additional experience and expertise to the District.

IV. Key Functions and Process Descriptions

There are a number of Board policies prescribing the general requirements for certain functions, such as administrative records management, purchasing or credit card use, and policy development. In many of these policies, it states that the Superintendent shall establish the specific processes, such as setting the competitive process to be used for bids and quotations (Board Policy DJED), or determining the disposal method and need for advertisement for property disposition (Policy DO). While the Superintendent may informally determine a process or procedure, there is limited formal documentation for processes, which makes it more challenging to determine if there is a consistent process followed or if processes are determined for each applicable instance. Additionally, the District only began developing formal job descriptions in recent months, relying only on GaDoE descriptions or responsibilities listings for certain jobs, which may not align with how roles are assigned in smaller districts with limited staffing.

The following process narratives are based on our interviews with staff who identified themselves as having a role in key financial functions, and compared with observed processes during shadowing of key personnel. The District has stated an intent to begin formally documenting processes, but this effort may be limited as there is not consistent enforcement or change management efforts.

M&J has documented the following finance functions:

- Accounts Payable
- Accounts Receivable
- Payroll
- Procurements & Solicitations
- Budget Development and Management
- Vendor Management
- School Nutrition

Accounts Payable

When purchasing goods or services, District employees identify a need for an item such as software or supplies and then complete a requisition form. The requisition form is a template document created by the District and typically either handwritten or typed by the requester but physically routed through an approval process. Requesters take the requisition form to the first approver, typically a principal or department head, and then to the CFO. Per District staff, travel, employee reimbursements, and utilities are the only expenses that do not follow the requisition and purchase order process.

The CFO determines the funding code for the requested good and/or service and then obtains the Superintendent's approval. Once approved, the CFO sends the coded requisition to the HR Director, who processes the PO, which also encumbers the funds in PCGenesis. Once the PO has been created and printed, the Executive Assistant to the Superintendent maintains a physical file with copies of all open POs. Central Office staff such as the HR Director or the CFO place and receive orders. Per staff, all deliveries are received at the Central Office portion of the building and are unpacked and then delivered to the appropriate recipient. The individual opening the package is responsible for providing the packing slip, if provided, to the Executive Assistant to the Superintendent. The Executive Assistant retains all packing slips in a desk drawer, filing them alphabetically by vendor until the invoice comes in.

The Executive Assistant matches packing slips to PO numbers; while most slips and invoices include PO numbers, the Executive Assistant manually matches and records them when needed.

The Executive Assistant to the Superintendent receives mail for the District. This includes Accounts Payable invoices, which arrive through both physical mail and email via a shared email address that the CFO and Executive Assistant have access privileges for. As the Executive Assistant receives invoices, she confirms they have not already been paid by opening the Accounts Payable file and searching it for the vendor name. The file has details for all paid invoices with a page for each vendor; there is an individual file for each fiscal year. Information may be transferred from the previous fiscal year to the new fiscal year if appropriate. If the invoice is from a new vendor, the Executive Assistant creates a new page and enters the vendor name. The Executive Assistant creates a cover sheet locally, and adds it to the packet. The Executive Assistant then matches each invoice to a hard copy of the corresponding PO by PO number. Cover sheets, which are produced locally and organized by vendor, include the dates of the expense report, dollar amounts, and are signed by the Executive Assistant, the CFO, and the Superintendent. If the Executive Assistant cannot find a PO for the invoice, she will create the cover sheet but notes that there is no PO. The Executive Assistant then sends out a notice to those involved in the purchase that the invoice cannot be paid without a PO. The Executive Assistant retains these Accounts Payable packets until the CFO conducts the twice-monthly bill pay process.

To request checks, the CFO verifies the PO number and details from the requisition, matching them to originals, packing slips, and invoices, and goes to the PCGenesis claims process. The CFO enters a claim, using the PO page to generate vendor information when available. The CFO confirms the PO, which brings up the details to include in the claim. The CFO enters the payment amount, which would be the same as the invoice amount, and verifies the cover page matches the detail. If there is no Invoice Number to include in the claim, the CFO uses the billing date.

To pay invoices, the CFO enters the Vendor Check Processing module in PCGenesis and manually selects the checks/claims to process. The CFO reviews the aggregated total of claims to pay against the aggregated total of the processed invoices. Blank checks are stored in a locked cabinet in the Executive Assistant to the Superintendent's office. The CFO retrieves the correct number of physical checks from the Executive Assistant's office and enters the starting check number in PCGenesis. The CFO enters the date of payment (the day checks are printed), the bank account, disables signatures from the system, inserts checks in printer and then initiates check printing from PCGenesis. The CFO then, in PCGenesis, updates the budget line, verifies the starting and ending check numbers, and ensures all checks are ready and none require voiding. The CFO then prints the payment register from PCGenesis. The Superintendent reviews the checks against the bills and signs them. The Assistant Superintendent also has signature authority if the Superintendent is unavailable to sign checks. The District only makes vendor payment via check; it does not offer vendors automated ACH payments. Once payments are made, the Executive Assistant attaches a copy of the check to the AP packet and files the documentation by vendor.

AP from the School Accounts

For payables in the separate middle/high school accounts incurred at the middle/high school that have a PO, such as for fundraiser sale materials, the Bookkeeper initiates payment when creating the PO via debit card or manual check number issuance. The Bookkeeper locks the checks in a vault at the middle/high school. Signature authority for these checks resides with the Superintendent and Principal/Assistant Superintendent.

PCards

The District has two Bank of America PCards and one store card for Home Depot, which the CFO and Superintendent manage. PCards are used for a variety of purposes, including physical use at local vendors, use at Amazon and other online vendors, and are also used for travel reservations and event registrations.

The District has created a credit card authorization form which should be completed and approved prior to card use. Staff members receive the cards for use and return them with receipts. The CFO and others such as the Executive Assistant to the Superintendent use the cards for Amazon and other vendor purchases made by the CFO, travel for the Superintendent and District board members and staff, and other purchases. Reconciliations occur when the card statements arrive.

The District is not aware of any Merchant Category Code restrictions on PCards, other than on ATM use. Any purchase of over \$500 requires a PIN, which administration provides to card users. The Bank of America PCard provides activity alerts and fraud protection. Bank of America has notified the District of potential fraud in the past, and has initiated the freeze of PCards due to that suspected fraud.

The Executive Assistant is responsible for reconciling the monthly PCard statements for both the Superintendent and CFO's cards. The Executive Assistant maintains copies of all credit card authorization forms, receipts, and other supporting documentation, and compares it to the monthly statement and creates a reconciliation packet for each month. These packets are provided to the CFO for account coding and entry into PCGenesis, and the card balances are paid using physical checks.

Accounts Receivable

The District receives funds from a number of sources in both physical check and electronic transfer of funds.

EFT/ACH Payments

Most funds coming from the state Department of Education require the District to log into an electronic portal and request the funds that they have an immediate cash need for.

Physical Checks

Physical checks most commonly arrive in the mail, which are processed by the Executive Assistant to the Superintendent. The Executive Assistant opens all mail and separates out any payments received, stamping “for deposit only” on the back of each check. The Executive Assistant to the Superintendent records each check in a physical receipt book and photocopies the check along with any associated documentation. The Executive Assistant places the checks in an unlocked bank bag in a locked desk drawer for deposit. The School Resource Officer (“SRO”) collects the bag and deposits the checks.

The SRO previously has not signed a receipt for the deposit; during fieldwork the District began implementing a new process wherein the SRO signs a receipt acknowledging acceptance of the deposit for transportation to the bank. After making the deposit, the SRO returns the bank deposit receipt. The Executive Assistant to the Superintendent verifies the deposit amount and attaches the slip to the prepared packets of check documentation and bank statements. The Executive Assistant retains the bank statements for the District’s contract accountant to conduct bank reconciliations. No one other than the Executive Assistant and the external accountant reviews the deposit slips.

School Account Receipts

Funds collected during athletic events, including box office and concessions, are managed by the Bookkeeper of the middle/high school and deposited into the school bank account. For each event, the Bookkeeper prepares a checklist which Athletic Director verifies and signs off on before distributing the cash boxes to employees working both concessions and ticket sales.

Typically, the day before or the day of the event, the Bookkeeper contacts the County to confirm driver assignments for the ambulance crew. As applicable the Bookkeeper prepares a check/PO request for the crew. The Bookkeeper also prepares a check request for the game officials. As appropriate, other check requests, such as for additional supplies or services, may be prepared. These check requests are printed, and the checks pre-filled with all payment information. The check request, pre-filled check, and supporting documentation are provided to the Assistant Superintendent/Principal for review and approval. The Assistant Superintendent/Principal signs and the Bookkeeper provides the signed checks to the Athletic Director for distribution to the appropriate vendors.

The Bookkeeper prepares the ticket sales report that includes the date, location, opponent, and starting ticket number from the physical roll. The Bookkeeper also prepares the report to record concession sales, filling out the event and opponent. The Bookkeeper prepares two cash boxes with standardized starting cash amounts: \$500 for concessions, \$1,000 for the box office.

The Bookkeeper pre-fills and dates the deposit slips with the school account information for the following business day after the athletic event. All cash, checks, and accounting forms are placed in the bank boxes. The Athletic Director verifies all paperwork is present, recounts the money, and signs the checklist for each bank box as verification. The Bookkeeper obtains the signed deposit slip on the next business day and files it with the Purchase Orders in a binder.

Drawdowns from Department of Education

Drawdown schedules are set by the CFO according to state guidelines. The CFO logs into PCGenesis to run two reports: the general ledger report and a detailed monthly report. For the remainder of the process, M&J selected Title I drawdowns as the specific process to observe.

For Title I, the CFO tracks the reported spend in an Excel workbook to track progress towards required spend levels and reviews the shared spend and confirms whether the District's share is on track or ahead. The excel tracker also uses forecasting for known costs, such as personnel costs and contractual spend, to review a forecasted remaining balance. The Federal Programs Director is updated on drawdown progress and reported spend, though not always consistently.

To prepare the reimbursement request, the CFO uses a spreadsheet version of the modified drawdown form from the Georgia Department of Education. The general ledger report is filtered by grant fund and program to capture the detailed transactions. The CFO confirms the correct dates for the reporting period, calculates the sum of debits less credits, screenshots the workbook detail, prints both the template and PCGenesis report, and compares the two for completeness and accuracy. The template is updated with the current month's data, and prior drawdown amounts are cross-checked against the MyGaDOE portal (alternatively called the ConApp, or consolidated application portal by some users) to ensure alignment. Once the updated request form and supporting documentation are complete, they are printed and assembled into a packet for the applicable approver for that Federal Program to review and sign; the reviewer may mark question areas in the packet if clarification is needed. Once reviewed and approved, the Superintendent signs as final approver. For Special Education requests, the Superintendent served as both reviewer and approver until July 1, 2025.

In the GaDOE portal, the CFO selects the 147 Form (Request for Reimbursement), selects the appropriate grant and month, enters the total cash disbursement through the reporting period, and verifies the system-calculated amount of current spend for completeness and accuracy. After submission, the confirmation page is printed and attached to the packet. The CFO writes the applicable AR account on the packet, then creates a receivable entry in PCGenesis with a description such as "Title I July." The transaction is posted in PCGenesis, and the posting confirmation number is noted on the printed packet. The complete packet is filed in the AR folder for the District contract accountant to use during reconciliation.

Bank Reconciliation

The contracted District accountant enters all receipts into PCGenesis using the bank statement to confirm deposit date and amount. The Executive Assistant to the Superintendent retains bank statements for the contracted accountant. The accountant reviews the accounting records in PCGenesis and reconciles the receipts and accounting records with the collected bank statements each month. If there are questions or missing documentation, the contract accountant works with either the CFO, the Executive Assistant, or the Superintendent to reconcile any discrepancies. The accountant also creates the DE46 report, compares it to the DE106 report from school nutrition, and makes corrections as necessary. The accountant enters DE46 into the Department of Education reporting portal monthly.

Payroll

All employees use manual paper sign-in sheets to record time and absences. Secretaries at the elementary and middle/high schools collect the sign-in sheets and provide them to the HR Director. For staff who are hourly, or those that may earn supplemental pay (such as for afterschool program or athletic event support) a separate timesheet is maintained documenting the hours for each day and the type of activity performed, to assist in assigning the correct pay code based on the work performed. The District has met with electronic timekeeping system vendors and hopes to have a system in place by January 2026.

Sign-in sheets and timesheets are provided to the Director or the Principal/Assistant Superintendent, as appropriate, who then reviews and signs. As necessary, the Superintendent may also inform the HR Director about employees receiving extra pay for additional services. This is typically completed through a signed and dated memo on District letterhead.

Staff must complete a leave request form when they need to use leave. The leave request form allows the requester to select the leave type, provide any additional information (such as the details of the event/use of professional development leave) and then the form should be signed by both the employee and the supervisor/Principal. A similar form is utilized for staff who need to arrive late or depart early during a workday, also with the requirement for employee and supervisor signature, and detail for the need for leave. The Bookkeeper provides the HR Director with all school-based timesheets. The Bookkeeper also prepares a leave spreadsheet, reflecting school-based employees and noting whether or not leave was taken, the amount of leave taken, and whether or not a substitute was in place for the absent employee.

Benefit vendors, the Courts, and the Sheriff's Office notify the HR Director about adjustments for selected benefits or garnishments. After open enrollment, the HR Director also receives information from benefit providers about changes in premiums or enrollments. The HR Director manually updates these benefit deductions in PCGenesis for each employee.

To start payroll processing, the HR Director runs reports in PCGenesis to check for separations and new hires, changes to supplemental pay, changes to benefits deductions, and changes to garnishments. The HR Director validates and manually inputs payroll information for the month into PCGenesis, including time worked, leave utilized, and deductions. The HR Director runs an exception report in PCGenesis to review for exceptions needing correction. Once all exceptions requiring correction have been resolved, the HR Director then runs the monthly Payroll Balance Sheet report, checks the Payroll Balance Sheet for accuracy, and delivers it to the CFO for review. Each individual employee's use of leave, earning of pay for overtime, hourly supplemental time, stipends, or other non-standard pay is manually updated by the HR Director each pay period.

The CFO reviews the Payroll Balance Sheet report for completeness and accuracy, identifies any issues such as separated employees still listed or new hires not added, and reviews the funding codes for employee salary and benefits. The CFO verbally approves the payroll using the Payroll Balance Sheet, reflecting the total payments that will be processed on the next payroll run date. If needed, the CFO may electronically transfer funds into the payroll account, based on the current account balance and the payments reflected on the Payroll Balance Sheet. The CFO records transfers with a journal entry in PCGenesis.

Once the payroll details are verified, the HR Director generates the physical check file in PCGenesis. From this file, the physical checks are printed on a dedicated printer in the HR Director's office. All physical checks are signed by the Superintendent. Once physical checks are printed, then the direct deposit payslip file is printed on the same printer.

The HR Director runs the nacha direct deposit file, which is encrypted and saved on the PCGenesis server for access. The CFO accesses the file and submits the direct deposit file from PCGenesis to the direct deposit clearinghouse.

Once paychecks and pay stubs are printed, the HR Director places them into individual envelopes and sort them by elementary and middle/high school. District front office staff assist HR staff with stuffing the envelopes. The Principal/Assistant Superintendent picks up the separated checks and delivers them to the elementary and middle/high school Secretaries for employee pickup. Each school uses a sign-in sheet for check pickup. Employees who are not assigned to a school, such as central office, custodial staff, and bus drivers, pick up their checks from the HR Director, who does not consistently require a sign-in sheet for check pickup.

At the conclusion of payroll processing, the HR Director prints all of the payroll register and trial balance reports, and creates a physical file with the reports and all of the supporting documentation, such as leave forms, timesheets, or stipend memos.

Procurements & Solicitations

The Superintendent handles solicitations and procurements at or above the \$10,000 District solicitation threshold for Board of Education approval. District policy requires three quotes for solicitations, and for programs funded with federal money, compliance with all competitive solicitation procedures, such as documentation of additional quotes at time of purchase. The District stores supporting documentation for physical quotes in the vault. The Superintendent presents vendor quotes to the Board of Education, who select the vendor to award the contract. Per the District, most procurements fall under the \$10,000 solicitation limit and do not go before the Board.

For procurements not reviewed by the Board, stakeholders—such as the Superintendent, CFO, and department heads—select vendors through internal discussion. The District does not use a formal evaluation system or criteria. Once the stakeholder team selects a vendor, the Superintendent reviews, approves, and signs the award and contract. The District’s outside attorney reviews contracts on a case-by-case basis.

Budget Development and Management

The CFO develops the timeline for producing the budget for the new fiscal year, including dates for initial budget presentations to the District Board of Education, required public hearings on the budget, and the final presentation and vote on the budget. The CFO uses PCGenesis reports to review prior year expenditures, such as utilities and supplies, and compares budgeted to actual expenditure. The CFO bases the initial revenue estimate on the previous year’s revenue, although the District does not currently track what percentage of estimated tax revenue is actually received each year. The CFO coordinates with the Principal/Assistant Superintendent to understand staffing changes required for the upcoming year and develops a budget estimate for Full-Time Employees. The CFO also assesses upcoming projects and related fiscal estimates.

The CFO builds an initial budget and presents it to the Superintendent. The Superintendent reviews the initial budget, typically requesting detail on any increases and other significant adjustments. The Superintendent approves the budget for presentation, but there is no formal documentation of this approval. After Superintendent approval, the CFO presents the budget to the District Board of Education. When the Board issues initial approval, the Executive Assistant to the Superintendent develops and places advertisements in the local paper, posting the dates and times for public hearings of the budget, as required by law. At the budget hearings, the CFO presents the budget in object list detail. The Board approves a final version of the budget after all required public hearings are complete.

To track the use of the budget throughout the year, the CFO runs a report of general fund expenditures every other month using PCGenesis and reviews it for accuracy and tracking. The CFO also uses federal funds drawdown tracking to understand and document current spend. The CFO reported that he presents high-level findings from these reports to the District Board of Education monthly, although certain funds may get more detailed reporting, such as when Federal Elementary and Secondary School Emergency Relief (“ESSER”) funds were available.

The District does not currently obligate entire contract or other multi-payment agreement balances consistently as POs in PCGenesis, and has no formal process for reviewing contract or long-term payment spending.

Federal Programs Budgeting

The former Federal Programs Director is a 49% work schedule District employee who provided M&J information about historic processes in Federal Program management. The District hired a new Special Education and Federal Programs Director July 1st, 2025, and the former Federal Programs Director is assisting in training and supporting the newly hired Special Education and Federal Programs Director. Budgeting for Federal Programs is based on the School Improvement Plan and other strategic plans, which supplement existing strategies. The Federal Programs Director starts the process by using last year's estimates and actuals for basic internal inputs such as supplies and paraprofessionals. The Director coordinates with school administration to understand which programs will continue and what strategy changes are planned for the upcoming year to ensure funds are used supplementarily. The Director is able to budget for known quantities or costs, such as afterschool programming and summer school, without input from the Administration team. The Director plans to adjust the budget midyear to correct any issues, such as dropped programs or changes in strategy.

Vendor Management

The Executive Assistant to the Superintendent collects W9s for vendors when the District begins doing business with the vendor, or if the Executive Assistant notices a discrepancy between system information and the invoice/bill. The District requires a new W9 for significant changes in vendor operations, such as vendor name change. The District does not have a process to validate vendor changes are legitimate and correct.

School Nutrition

Contracts/Procurement/Vendor Management

The Nutrition Department predominantly piggybacks on contracts awarded by Meriwether County School System's ("MCSS") nutrition department. The Nutrition Department bookkeeping contractor, who previously worked in MCSS Nutrition, helped the former Talbot County School System Nutrition Director secure these contracts for food and supplies.

Financial Reporting

Cafeteria staff perform daily counts of meals served by scanning student IDs. If a student does not have their ID, staff take manual counts and add them to the total number of scanned IDs in the system report. Every Thursday, the Nutrition Director performs drawdowns from the MyGaDOE portal, or ConApp. The Nutrition Director creates the nutrition Accounts Receivable amounts in PCGenesis based on the ConApp drawdowns.

Nutrition staff take foodstuffs inventory manually once a month. When receiving deliveries, the District rarely receives a packing list and often have to compare the delivery to the order form; as a result, staff track inventory through monthly counts. After completing the financials for the month, the Nutrition Director submits the inventory through ConApp.

The District participates in the Fresh Fruit and Vegetable Program and submits state reporting in the same manner as USDA reporting. The Nutrition Director provides the reimbursement price, which the CFO then reports to the state and federal governments.

Accounts Payable

Nutrition accounts, drawdowns, and expenditures are treated as separate entities within the District Financial ecosystem until the CFO runs a comparison which compares inventory and cash between PCGenesis and the nutrition accounts. The CFO runs this report at irregular intervals. The Nutrition department contract bookkeeper collects and copies all invoices for the month, stores them in a filing cabinet in the school nutrition office, and reviews them against vendor statements. For items that are physically received but do not contain a packing slip or order confirmation, the Nutrition Director signs and dates the invoice or the quote to confirm the date of receipt and completeness of goods received.

Monthly, the bookkeeper calculates the total Accounts Payable for each vendor, adds the vendor number, and prepares a payment package for the Nutrition Director including all vendor totals, which is used to perform ConApp drawdowns. The Nutrition Director enters the invoices into PCGenesis and submits claims for the payables based on the vendor totals. The Director generates vendor checks through the PCGenesis claims system, which the Superintendent signs. The Nutrition department contract bookkeeper photocopies the vendor checks for recordkeeping purposes, then mails the checks and invoices to the vendor.

The Nutrition Director can manually produce checks via PCGenesis but rarely does so. When necessary, this process requires adding vendor and payment information to the check, then entering the manual check as a claim after production.

Accounts Receivable & Cash Management

The District receives 100% reimbursement from the State for all student meals and snacks. Cafeteria staff collect cash throughout the week for adult lunch payments and place it in a locked bank bag each day. Cafeteria staff store the bank bag in a freezer during the week and take it to the bank on Friday. The Assistant Cafeteria Manager prepares the deposit slip and brings the deposit to the bank. When the bag and deposit receipt return, the Director and contract bookkeeper reconcile the receipt with the bank summary. At the end of each month, the Nutrition contract bookkeeper performs bank reconciliation for the nutrition accounts.

Cafeteria staff perform daily counts of meal usage by scanning student IDs. If a student does not have their ID, staff take manual counts and add them to the total number of scanned IDs in the system report. The Nutrition Director creates the nutrition Accounts Receivable amounts based on her request for the claims in PCGenesis. Every Thursday, the Nutrition Director performs drawdowns from ConApp. When the state releases the funds, the Director prints out the confirmation. The Nutrition Director deposits the money into the General Fund, then liaises with the CFO who provides a check for the reimbursement amount, less payroll calculations, to deposit in the Nutrition account. The HR Director provides payroll calculations to the CFO, which includes the payroll totals for staff who are paid with nutrition funds.

Budgeting

The Nutrition Director develops the budget by using the previous year's budget as a baseline and reviewing it for necessary changes. The Director presents the budget to the District Board of Education; once the Board approves the budget, the Director submits the budget to the state. The Director provides monthly budget presentations to the District Board of Education detailing budgeted spend versus actual spend through the most recent month.

V. Strategy and Leadership

The Superintendent in place during the majority of M&J's fieldwork appears to lead informally and is also central to most decisions through formal or informal approval processes. The centralization of authority and approvals has led to a perception that the Superintendent is the final decision-maker, and that if there are questions or concerns at an earlier reviewer or approver level, that decisions should be deferred to the Superintendent. Decision-making and approvals appear disjointed – the CFO is determining the funding code, the Federal Programs Director may be determining if it can be charged to federal funds, the Superintendent is providing final review, and others may sign off as the requester. The lack of formal processes and procedures also means that employees can challenge the prevailing norm, or push back on attempts to make changes or update procedures. This has resulted in inconsistent practices, or the opportunity for individuals to create alternate routes and processes.

District staff report that financial decision-making is driven by planning documents, such as the School Improvement Plans, and Federal Programs Plan (as applicable). M&J did not observe any steps in the budgeting or expenditure processes that directly correlate financial activity to strategic planning or strategic fiscal management.

What M&J learned during interviews indicates the District has developed the processes and/or forms that could assist in addressing issues with controls and documentation, but implementation is inconsistent, which resulted in only partially resolved audit findings in previous years. There is limited change management support, either through written documentation or enforcement of the updated processes, which also erode the effectiveness of processes designed to mitigate risk or address issues.

The District is highly reliant on institutional knowledge, given the limited written processes and procedures. Some staff have been in their roles for many years, and are single points of failure if they leave their role or are unable to perform their duties, as not every process is supported by cross-trained staff.

Given the limited number of staff, cross-training can also be challenging, and could impede the consistent application of internal controls, as someone may serve in a review capacity for certain functions, but may also be responsible for an approving capacity due to absences of individuals in other roles.

New hires are often trained by the incumbent, who may be retained in a 49% work schedule capacity for an extended period to support training. The use of incumbents, rather than written documentation or consistent training processes, also has resulted in training based on preference and workstyle, rather than consistent standards and compliance with intended processes.

The District also has long-term contractors supporting financial functions, including a contract accountant who assisted in reconciling some of the audit findings, currently performs bank reconciliation, and provides additional technical support for non-standard issues or challenges. The Nutrition Department also has a contract bookkeeper assisting with invoice preparation and bank reconciliation. The District is reliant on these contractors, and has made limited effort to capture their processes through formal written documentation, exacerbating the issue of reliance on institutional knowledge and preferred practices.

VI. Testing, Themes, Results

Accounts Payable

M&J tested several specific sub-categories of AP processes, based on volume and potential risk level. Specifically, M&J tested:

- Check Payments
- Purchasing Card Activity

Check Payments

M&J elected to perform additional testing of check payments, to ensure the existence of documentation to support District procedures, as well as financial management leading practices and State requirements. M&J selected approximately 25 AP samples for each fiscal year between FY21 and FY25, ranging in dollar value from \$15 to \$349,000. These samples were selected haphazardly, and reflect a mix of expense types and come from a variety of funds, including state, federal, and local funding sources. For each sample, M&J reviewed for:

- Existence of a requisition and/or purchase order to support prior approval of the purchase
 - Including documented approvals with dates that precede the date of order/purchase
- Adequate backup documentation to support receipt of the good or service, including packing slips or other shipping confirmation detail to document receipt
- For travel, a copy of the prior authorization form
- Copies of any contracts, solicitation documents, or other documentation to support the vendor selection process, as appropriate
- Copy of the issued check to verify match of vendor information and payment amount

M&J ended up testing for 122 samples, after some duplicates/split payments were removed. The following table shows the number and value of samples selected for each year, and notes how many could be produced by the District for testing.

Fiscal Year	Samples	No Documentation Provided	% Without Documentation
2021	25	8	32%
2022	25	21	84%
2023	25	6	24%
2024	24	11	46%
2025	23	5	22%
Totals	122	51	42%

For the samples where the District produced documentation for review, M&J determined the following test results:

Test:	# of Samples Eligible	# with Required Documentation
Samples With Issued Check	71	69
Samples With PO	49	17
Samples with Travel Form	4	0

Of the 71 samples that the District provided for tested, 69 of the 71 contained a copy of the issued check. Of the 71 tested samples, M&J identified at least 49 samples that, per the District, should have been on a PO prior to payment. M&J only saw documentation of POs (either a copy of the PO or a PO reference number on the issued check) for 17 of those samples, suggesting that the District is not consistently adhering to its stated PO requirement.

Of the four travel samples that the District provided for testing, none of them included the travel prior authorization form the District reported was used.

In addition to these issues, there were other notable issues presented.

- Several expenses were purchased using employee's personal funds and/or personal credit cards. One purchase was made on EBay and shipped to the employee's home address.
- One payment to a local restaurant for a \$238.68 check only had a handwritten "Guest Check" stub with the signature of the Federal Programs Director, and was coded to the "service" object code.
- One payment was made to the relative of the check signer. There was a secondary approver on the invoice, but no acknowledgment of the related-party transaction.
- Two travel expenses included mileage to and from the employee's home address, instead of deducting personal commute miles in accordance with state travel guidelines.
- Purchases over \$10,000 lacked information about procurement or solicitation action taken. While several of the purchases were made using statewide contracts or other authorized contracting vehicles, there was no documentation noting the use of these eligible contracts.
- The majority of goods purchases tested did not contain a packing slip, order confirmation, or other documentation of receipt of the ordered goods.

Nutrition should be noted for consistently writing the date of receipt of physical goods, and signing, to confirm receipt in the absence of a packing slip or other detailed order delivery information, following leading practice.

M&J identified sixteen samples that were over the \$10,000 that required competitive solicitation and Board approval prior to purchase. Only one purchase contained documented board approval, and none of the samples contained supporting documentation for the solicitation method used. Of the sixteen, five may have been purchased using statewide contracts, but there is no documentation to support that the District awarded the vendor due to their inclusion on a statewide contract.

M&J also reviewed to determine if the backup documentation for expenses provided insight into how the expense aligned with the School Improvement Plan, use of Strategic Waivers, or other strategic documents implemented within the District. M&J found no documentation to explicitly correlate the District's expenses with any of the strategic documents that reportedly guide the District's activities.

In reviewing the five years of tested samples for trends or themes in improvement, there was no area of persistent improvement year-over-year, suggesting that there may have been inconsistent messaging or enforcement from leadership about the need for use of purchase orders, supporting documentation and file maintenance.

Purchasing Cards

After learning that there are two District PCards, which are physically handed out to employees with pins provided for use at local vendors, M&J elected to perform more comprehensive PCard testing.

M&J requested all PCard statements for all FY24 and FY25 for both the Superintendent and the CFO. We did not receive the statement for 12/16/23 – 1/15/24. Board Policy DJEAC states that the Superintendent will establish procedures, and that the Business Director of Finance shall be the card administrator. M&J was not provided with any written procedures for PCard administration. PCards were tested against leading practice and tested against the District processes understood through interviews and shadowing. Specifically, M&J tested for:

- Credit card authorization form
- Backup documentation that:
 - o Matched the charged amount
 - o For online orders of goods or materials, included a packing slip or other shipping order
 - o For hotels, was the final receipt reflecting all charges and confirming the balance was paid

M&J reviewed 517 transactions during the two-year period, totaling approximately \$237,000 in charges. 11 of the transactions were credits, reflecting returns or charge corrections made to the cards, leaving 506 expense charges reviewed. The most utilized vendor was Amazon, with 148 (29%) of the transactions and totaling \$56,208.65 of the charges.

284 transactions, or approximately 56% of the expense transactions, did not contain the credit card authorization form that the District stated was required for credit card use. For those with the credit card authorization form, the "description" field often lacked adequate detail for M&J to discern the intent of the purchase without speaking with District staff, with some noting things such as "PBIS" or "supplies". 145 transactions, totaling \$54,418.15, contained no backup documentation, although some contained a credit card authorization form. 131 of the transactions contained neither credit card authorization form nor backup documentation, totaling \$48,735.49.

Some of these transactions without backup appear to be related to a corresponding credit on the card, but even considering the returned funds there is more than \$40,000 in transactions without any backup documentation.

44 of the transactions contained backup documentation that did not support the amount reflected on the credit card statement. Others lacked adequate supporting documentation for M&J to determine if the purchase was legitimate and necessary. Of the 193 online transactions, only six included the packing slip in addition to the invoice, to verify the District's receipt of the goods. The District did have all of the online orders shipped to the District office, and all were reported to have been delivered to the Central Office portion of the building.

There were 129 charges at hotels. Of these 129 charges, 80 (approximately 62%) did not include the final receipt – some showed a bill estimate, and others only included the hotel confirmation email sent to the District when the reservation was made. Additionally, of the remaining hotel final receipts, 25 reflect state and local taxes that the District should have requested removed from the card; only two of those 25 reflect a credit after the charge, refunding the District the taxes.

One registration for a conference appears, in addition to the costs for the District employee, to include the cost of an adult and two children's participation in a meal offered by the conference.

M&J also analyzed to determine if there was improvement of significant issues between FY24 and FY25, suggesting processes and control steps were being implemented more consistently. As documented in the following table, there is some improvement in use of credit card authorization forms and lacking backup documentation, but the overall instances of these issues is still too pervasive within the overall population.

Issue Type:	Total Instances	FY24	FY25
Lacking Credit Card Authorization	284	168	116
Lacking Backup	145	94	51
Backup Doesn't Match Charged Amount	43	19	24
Lacking Final Hotel Bill	80	45	35
Charged Taxes	25	14	11

Overall, the District has developed some templates and informal processes that could help address issues and mitigate risk. Had the District consistently implemented the designed processes and required use of the templates and forms, including prior authorization forms, there may have been more consistent improvement and reduced risk from what was identified during M&J's testing. Based on M&J's testing, we identified no obvious fraud, waste, or abuse, but the lack of adequate supporting documentation results in a number of questioned costs.

Accounts Receivable & Bank Reconciliation

One of the District's repeat financial statement findings noted that the District has not maintained sufficient accounting procedures to provide adequate internal controls over the cash and cash equivalents functions. The FY21 through FY23 financial statement findings indicated that the District did not properly reconcile its bank accounts totaling between \$17,000 and \$27,000 to the June 30 general ledger balance for the respective year, and that reconciliations were not consistently performed and/or reviewed within 45 days of the statement date. Additionally, the audit reports indicated cash overdrafts of approximately \$10,000 to \$27,000 for one account each year.

The District's Corrective Action Plan ("CAP") stated that all reconciliations would be conducted within 45 days of month ending and bank accounts closed, as well as the implementation of regular monitoring the accounts to prevent end of month overdrafts. The CAP stated that the corrections would be completed by December 31, 2024.

M&J received and reviewed bank reconciliation documentation for eight bank and investment accounts from FY21 through FY25. Documentation indicated the existence of three other bank accounts unavailable for review by M&J. The bank accounts identified are listed as follows:

Account Code	Bank	Account Name/Purpose
LG12/LGIP¹	Regions	LG12 – Sales Tax Fund/Debt Service LGIP – Sales Tax Fund/Projects
PBT1	Peoples Bank of Georgia	Sales & Use Tax Fund/Debt Service Account
PBT4²	Peoples Bank of Georgia	Edna Pitts Finch Memorial Fund
PBT5	Peoples Bank of Georgia	<i>unknown³</i>
PBT6	Peoples Bank of Georgia	1998 Construction Fund
PBT7⁴	Peoples Bank of Georgia	School Food Service
PBT8	Peoples Bank of Georgia	<i>unknown⁵</i>
PBT9⁶	Peoples Bank of Georgia	General Funds
ST1	SunTrust/Truist	Money Market Account
TBS3	Talbot State Bank	Payroll Account
TBS4	Talbot State Bank	General Fund

¹ The two Regions sales tax fund accounts for debt service and projects were reconciled as a singular bank account, though were identified separately in the District's summary of balances by bank and fund report.

² The PBT4 (Edna Finch Memorial Fund) account was reconciled on a quarterly basis. The account was closed in June 2024.

³ Based on documentation available, M&J believes this account to have been a Certificate of Deposit ("CD"). The account balance did not change between the beginning of the review period (beginning of FY21) and the apparent closure of the account at the end of FY23.

⁴ M&J was only provided reconciliation documents for the PBT7 (School Food Service) account for two months.

⁵ Documentation was not provided for this bank account and available summary reports did not indicate the nature or purpose of this bank account. Two bank statements from the Peoples Bank of Georgia for an account titled "CSS Internal School Funds" were included as backup in the August 2024 file, though were not annotated with an account code and were not tied back to any documentation in the August 2024 file. Based on the bank accounts identified by M&J, the PBT8 account code most likely refers to this CSS Internal School Funds account.

⁶ The PBT9 (General Funds) account was reconciled on a quarterly basis. The account was closed in June 2024.

M&J received and reviewed reconciliation documentation for the following bank accounts:

- LGI2/LGIP (Sales Tax Fund)
- PBT1 (Debt Service)
- PBT4 (Edna Pitts Finch Memorial)
- PBT6 (1998 Construction Fund)
- PBT9 (General Funds)
- ST1 (Money Market Account)
- TBS3 (Payroll Account)
- TBS4 (General Fund)

M&J reviewed the timeframe for the District’s performance of bank account reconciliation for the six accounts available. The following table indicates the general ranges for time between the end of month (“EOM”) and preparation and review/approval of the bank reconciliations year over year:

Fiscal Year	End of Month to Preparation	End of Month to Review/Approval
FY21	30 to 120 days (generally 60 to 105 days)	30 to 270 days (CY20) (no approvals conducted in CY21)
FY22	Most reconciliations conducted retroactively in June and July 2022	June 2022 was the only month with approval (39 days after EOM)
FY23	45 to 75 days	45 to 75 days
FY24⁷	10 to 45 days	10 to 45 days
FY25^{8,9}	TBS3: 16 to 71 days Other Accounts: 12 to 18 days	TBS3: 16 to 71 days Other Accounts: 12 to 18 days

Of note, while the bank reconciliation form provides a space for the Superintendent to sign and date, signifying review and approval, the space was not consistently used – the Superintendent did not consistently sign off on the reconciliations, and when he did, the signatures were rarely dated. An outdated version of the June 2025 bank reconciliation form for TBS3 (Payroll Account) included the Superintendent’s signature, but was not signed or dated for preparation or review/approval, suggesting that there may have been instances in which the form was either pre-signed by the Superintendent prior to preparation or was reviewed by the Superintendent before the preparer and reviewer/approver signed off.

⁷ There was one outlier in FY24: August 2023 was prepared and reviewed 54 days after EOM. The August and September 2023 bank reconciliations were conducted on the same day.

⁸ Due to the significant disparity between the timeframe for the TBS3 account and the other accounts in FY25, the TBS3 bank reconciliation forms were evaluated separately from the other accounts for FY25.

⁹ There was one outlier for the “other accounts” category in FY25: September 2024 was prepared and reviewed 51 days after EOM. Backup documentation indicated that the bank statement may not have been received until 25 days after EOM.

Based on M&J's review of bank reconciliation documentation, the District appears to have met its intended completion date for properly reconciling eight of the bank and investment accounts within 45 days of the end of the month (including two bank accounts that were closed at the end of FY24). However, a review of the FY25 bank reconciliation documentation indicated that the reconciliation for TBS3 (Payroll Account) did not regularly meet the 45-day timeframe, as three of the six months tested exceeded the 45-day timeframe. M&J did not receive adequate documentation to determine whether the other three accounts (PBT5,¹⁰ PBT7, and PBT8) were reconciled sufficiently and/or timely.

M&J additionally reviewed for cash overdrafts reported at the end of the month for the bank accounts with available documentation. M&J did not identify any overdrafts that occurred during the second half of FY24 – though a review of bank statements listing a summary of fees for overdrafts indicated that there were overdrafts not included in the provided documentation. With uncertainty as to the completeness of documentation provided, and the unavailability of FY25 documentation, M&J cannot confirm that the District met its action plan item of mitigating end of month overdrafts by the target date of December 31, 2024.

Overall, with the exception to the TBS3 payroll account, M&J noted marked and consistent improvement in bank reconciliation, reflecting implementation of the corrective action, as designed. It should be noted that the majority of the improvement in this area is the work of the contract accountant, which may pose a risk to the District, given the lack of documented processes, if the contract accountant should choose not to continue contracting with the District.

Federal Drawdowns

M&J tested the timeliness of federal drawdowns, and ensured that the drawdowns were based on actual cash needs. M&J reviewed all drawdowns of the following federal funds for FY25:

- Title I
- Title IIA
- Title IV
- Title V
- IDEA 611 Special Education Flow-Through
- IDEA 611 Parent Mentor
- Perkins
- CTAE Supervision
- CTAE Ag Extended Day & Extended Year
- ESSER

For each of these grants, we noted in which months funds were drawn, to determine if there was regular and timely draws. We also noted whether or not each of these draws followed the District's preparation and approval process. Specifically, we tested:

- If the request was accompanied by a federal funds drawdown form
- If the federal funds drawdown form was signed by both a programmatic approver and the Superintendent

¹⁰ According to the District's summary of balances by bank and fund report, PBT5 appears to have been closed at the beginning of FY24.

- If the request was supported by a PCGenesis expense report that provided detail for the amount of funds requested

There were no drawdowns of Federal funds for April 2025. For all other months, M&J tested all 80 drawdowns. The following table shows the number of drawdowns by federal funding source:

Program	Number of FY25 Draws
Title I	17
Title IIA	9
Title IV	3
Title V	3
IDEA 611 Special Education Flow-Through	10
IDEA 611 Parent Mentor	5
Perkins	6
CTAE Supervision	6
CTAE Ag Extended Day	9
CTAE Ag Extended Year	7
ESSER	5
Total	80

70 of 80 (approximately 88%) drawdowns maintained the backup form. Of those 70, approximately 79% contained both the appropriate federal program approver's signature as well as the Superintendent's signature (Note: this includes 10 Special Education requests that were only signed by Superintendent Catrett, acting as both Special Education Director and Superintendent.)

70 of 80 drawdowns contained a backup report from PCGenesis. Most of these reports matched the drawdown request, with most of those with discrepancy containing a note to explain the discrepancy.

The District's implementation of the state drawdown form appears to have improved the accuracy of the drawdown process, tying the drawdowns to actual expenses. There are still some delays in drawdowns, which may result in a lack of visibility into underspend of federal funds.

The following table shows the timing of drawdowns, reflecting the several month periods that are without draws for some federal programs:

Program	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Title I	1				2	3	2	1	2		4	2
Title IIA	1			1		2	1	1	1		2	
Title IV				1		1					1	
Title V	1			1								1
IDEA 611 Special Education Flow-Through					1	3	1	1	1		2	1
IDEA 611 Parent Mentor								1	1		2	1
Perkins	1	2									3	
CTAE Supervision	1							1	1		2	1
CTAE Ag Extended Day	1						2	1	1		3	1
CTAE Ag Extended Year	1						2	1	1		1	1
ESSER			2		2		1					
Totals	7	2	2	3	5	9	9	7	8		20	8

The delays suggest that federal program administrators may not have real-time budget insights into spend-to-date or spend-to-benchmark metrics, as these reports are often prepared for prior periods, and are largely caught up and corrected towards the end of the fiscal year. There is not a formal, consistent process for sharing budget-to-actuals with federal program administrators or holding budget review meetings to ensure that funds are being spent timely and strategically.

Payroll

M&J selected three pay periods from FY25 for testing to confirm complete and accurate supporting documentation, and consistent implementation of stated processes for leave requests and hourly or supplemental pay. M&J reviewed the following pay periods:

- Pay period ending December 2024
- Pay period ending February 2025
- Pay period ending June 2025

For each pay period, M&J performed both timesheet testing and deductions testing.

Timesheet Testing

M&J reviewed a selection of timesheets, reviewing to verify that all timesheets included both the employee and the supervisor's signature, and that the hours on the timesheet matched the hours on the payroll register.

Timesheet Testing			
	December 2024	February 2025	June 2025
Number of Forms Tested	42	35	20
Complete & Accurate	26	22	20
Missing Employee Signature	8	4	
Missing Supervisor Signature	5	8	
Missing Both Signatures	3	1	

In comparing reported hours to the selected timesheets, M&J verified that hours on the timesheets matched the payroll register.

M&J also reviewed leave forms contained in the payroll supporting file. For each form, M&J reviewed for completeness and inclusion of both the employee and the supervisor/Principal signature.

Leave Forms			
	December 2024	February 2025	June 2025
Number of Forms Tested	42	39	23
Complete & Accurate	37	37	23
Missing Employee Signature	4	2	
Missing Supervisor Signature	1		

M&J noted several stipend memos, and verified that the memo amount matched the payroll register amount, and appeared to conform with allowable stipend use. In June of 2025, a stipend was paid to an employee based on an undated, unsigned, hand-written reminder to pay the employee their stipend with the June pay period. The District was able to provide support that the employee was eligible for the stipend, but there was no formal memo with appropriate signature, date, or justification.

For each pay period, M&J tested timesheets for two supplemental pay programs and verified that the hours recorded on timesheets matched the hours reflected on the payroll register. For a sampling of the supplemental pay timesheets, M&J verified that a supplemental timesheet was completed, and that it was signed by both the employee and the supervisor.

Supplemental Pay timesheets			
	December 2024	February 2025	June 2025
Timesheets tested	17	33	27
Complete & Accurate	15	33	24
Missing Employee Signature	2		1
Missing Supervisor Signature			1
Other Errors			1 dated March 2025

For December 2024, M&J identified three employees whose timesheets reported less hours worked than the pay register reflected, for a total of 5 hours of overpayment. For June 2025, M&J also tested pay for summer school staff, and found that all summer school timesheets were complete and accurate.

Overall, supplemental pay and leave form maintenance appears to be fairly compliant, with compliance rate of at least 88% throughout all three tested periods, including full compliance for leave forms in June 2025. For timesheet testing, issues noted in the December 2024 and February 2025 pay periods appear to have been resolved, with full compliance in June 2025.

Deductions Testing

M&J also selected a benefit provider (American Fidelity) and for all three pay periods tested to see if the deductions from employee pay matched the premiums reported by the vendors, and that the total deductions matched the payment made to the vendor. The District confirmed there was no additional employer match for the selected benefits. The selected vendor provides a number of benefits, including life insurance, long-term disability insurance, a cancer policy, a flexible spending account, and others. The District uses three different deduction codes to account for premium deductions owed to this vendor. One deduction code was consistently used for flexible spending account deductions. All other deductions were inconsistently applied between the two remaining deduction codes, sometimes matching the premium amounts, and sometimes appearing to be a haphazard allocation of the premium total with no consideration of individual premium costs.

The following table reflects the premium invoiced by the provider for the provided benefits as well as the amount deducted from employee paychecks.

Comparison of Deductions to Vendor Invoices, American Fidelity			
Pay Period	Invoice Amount	Employee Deductions	Difference
Flexible Spending Account			
Dec-24	\$ 1,236.66	\$ 1,553.32	\$ (316.66)
Feb-25	\$ 1,628.32	\$ 1,553.32	\$ 75.00
Jun-25	\$ 1,628.32	\$ 1,628.32	\$ -
Other Supplemental Policies			
Dec-24	\$ 2,857.74	\$ 3,149.64	\$ (291.90)
Feb-25	\$ 3,349.74	\$ 3,118.24	\$ 231.50
Jun-25	\$ 3,349.74	\$ 3,075.54	\$ 274.20

M&J noted the following discrepancies between individual employee deductions and the invoiced premiums:

December 2024:

- Eight employees had deductions taken from their paycheck, but were not policyholders on the invoices from the vendor, totaling \$242.06 in withholdings not associated with a premium
- For the FSA deductions, 5 employees had deductions in excess of the contributions paid on their behalf by the District. The difference for December was \$266.66
- Eight employees had non-FSA deductions in excess of the invoiced premiums, totaling \$270.96
- Four employees' premiums were greater than their deductions, totaling \$46.41 paid out in December from the District's general operating funds

February 2025:

- 5 employees were reflected on the provider's invoices, but have no deductions from their paycheck, totaling \$234.30 paid out in February from the District's general operating funds
- Two employees were undercharged, totaling \$72.20 paid out from the District's general operating funds for these premiums

June 2025:

- Two employees were reflected on the provider's invoice but have no deductions from their paycheck, totaling \$210 paid out in June from the District's general operating funds
- One employee was overcharged by \$8
- Two employees were undercharged, totaling \$72.20 paid out from the District's general operating funds for these premiums

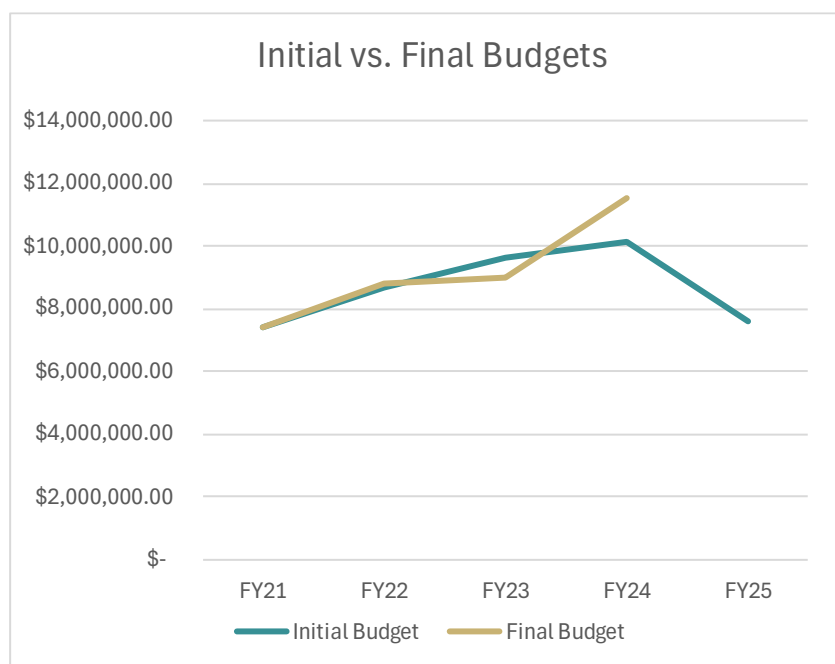
M&J also tested the two deduction codes labeled in PCGenesis as for additional annuity, such as 403(b) contributions. The District utilizes three vendors to offer this benefit. M&J reviewed the individual deductions and compared those deductions to the invoices and payments for each vendor. For all three pay periods, M&J reviewed detailed premium invoices from two of the three vendors, and confirmed the completeness and accuracy of the deductions. The third vendor's payment support did not contain details of the premiums, but the total amount paid matched the remaining deductions not attributable to the two other vendors.

While there are still concerns with the completeness and accuracy of deductions throughout the three tested periods, there does appear to be some improvement between December 2024 and June 2025. In June 2025, there were no employees with premiums deducted that were not enrolled with the provider, although there were two employees who were enrolled and whose premiums were paid by the District, without any deductions being taken from the employees' paychecks. For some of the deduction inaccuracies, there was a correction between February and June 2025.

Budget

Interviews with staff indicate that budgeting is predominantly based on prior year's actual expenses, with some updates based on personnel costs, benefits rate changes, or other known projects and new needs for funds. Interviews did not identify specific components of the budgeting process that considered prior performance, strategic plans or performance measures, or other more strategic budgeting elements.

We compared initial to final budget each year for significant changes, and to verify the statement that the District generally uses the prior year budget as a starting point for General Fund budgeting. Based on initial analysis, this appears to be fairly consistent for the review period, as illustrated in the following graph.



There was a fairly significant increase in budget from FY23 to FY24 final budgets, of approximately \$2.5 million, and a significant variance between FY24 initial and final budget, of approximately \$1.35 million, even with the District being under budget on teacher pay and health insurance costs. The categories with the largest increases were custodial personnel and student transportation.

M&J reviewed the required budgetary actions for each of the last five fiscal years, and reviewed actions taken to date for the FY26 budget process. We evaluated the timing of each required element based on documentation in the Board meeting minutes.

In the following table, text in red identifies actions taken beyond the required timeline for budgeting, required by state code and guidelines specifically focusing on:

- Budget adoption by July 1, or the start of the fiscal year under consideration
- Whether there were two budget hearings
- Whether the budget hearings were scheduled in two separate weeks, as required
- If the budget was adopted after July 1st, whether or not there was evidence of a spending resolution

Millage hearings and adoption are presented for informational purposes only.

Required Fiscal Actions	FY21	FY22	FY23	FY24	FY25	FY26
Budget Presentation	8/25/2020	11/19/2021	8/16/2022	5/2/2023	5/7/2024	5/22/2025
Budget Hearing I	8/25/2020	11/19/2021	8/25/2022	5/30/2023	5/28/2024	6/10/2025
Budget Hearing II	N/A	11/29/2021	8/30/2022	6/27/2023	6/18/2024	6/24/2025
Budget Adoption	8/25/2020	12/7/2021	9/6/2022	6/27/2023	8/6/2024	6/24/2025
Millage Hearing(s)	8/25/2020	8/3/2021, 8/17/2021	7/19/2022, 8/2/2022	8/1/2023	8/22/2024	8/19/2025
Millage Adoption	8/25/2020	8/27/2021	8/2/2022	8/15/2023	8/22/2024	8/21/2025
Notes:	FY21 had an interim budget presented and approved 7/7/2020					Millage vote scheduled for 9/16/2025

In reviewing the years in which the District failed to adopt a budget before July 1, only FY21 minutes reflected the adoption of an interim budget or spending resolution, adopted on July 7th of 2020. Without a spending resolution, the District has no authorization to spend funds for the next fiscal year. All other budget actions for FY21 was taken on a single date, out of compliance with the state requirement to hold two budget hearings and to ensure that the budget hearings are held in separate weeks.

In reviewing the overall timeline of each year's budget process, the District does appear to be making consistent improvement in taking actions within the required timeframe. M&J did note that, for FY24 – FY26, the District's budget process appears to have followed state requirements for development and adoption of the budget.

Overall M&J found reasonably consistent progress in developing and implementing a budget calendar that complies with required dates and timing for budget actions.

Federal Budgets:

In reviewing budgets for Title I, IDEA Special Education, Vocational Education, Title II, Title IV, and Title V-B, the use of prior year budgets as a guide appears to be fairly consistent, with the exception of the FY22 budget, which the CFO acknowledges was developed in his first year in the role without any guidance or training on how to use federal fund allocation estimates to create the budgets.

There appears to be limited tracking of the spend against the budget and against any required spend percentage benchmarks, such as the 85% spend within the first year of Title I funding availability that the District tracks. This information is only consistently presented to the programmatic administrators during the drawdown process, providing almost no real-time insight into spend rates and remaining budget to be spent. As noted in the federal drawdown testing section, drawdowns are inconsistent and tend to be more frequent towards fiscal year-end, reinforcing M&J's perception that there is little proactive strategy or review of federal spend patterns or budget-to-benchmark review.

VII. Observations and Recommendations

Observation 1: The District CFO is also serving as head of District Information Technology services and supervises a Technology Specialist. Outside of a contractual part-time accountant, there are no positions dedicated to supporting financial functions.

Recommendation 1: The CFO should not also be serving as the head of Information Technology, especially with limited resources available to support financial functions. The District needs to determine if another employee can assume Information Technology oversight duties, or if an additional position needs to be created.

Observation 2: The CFO position was filled by a contract employee from the beginning of fieldwork through June 30th, 2025. Leading financial practice discourages filling this role with contract labor, as it limits the organization's ability to set working hours and conditions for the contractor, and may result in a less defined and formal relationship to ensure that financial activities are implemented timely and accurately. In July 2025, the District's CFO became a full-time employee of the District. The fact that the CFO moved from a contractual relationship to a full-time employee of the District is aligned with leading practice.

Recommendation 2: The District has taken positive steps to create a more formal and established employment relationship between the District and the CFO position, and the District should continue to fill its CFO role as a full-time District employee.

Observation 3A: The District Board of Education maintains a number of policies that authorize the Superintendent to establish processes for implementing the Board's policy. Through the period of fieldwork, these processes are implemented informally and rely on the consistent implementation and enforcement of the Superintendent.

Observation 3B: The District currently operates with limited administrative and "central office" staffing and resources, which impacts the ability to clearly define and separate roles across departments. The District also relies heavily on institutional knowledge and former employees returning in a part-time capacity to assist with onboarding and training, rather than create documented processes and formal procedures. Employees are trained based on how the former individual in that role preferred to do things, rather than a standard set of operating practices and forms or templates.

The District also utilizes internal advancement to place individuals into roles. This advancement and promotion mentality may lead to individuals being placed in roles without the depth of education or experience typically required or expected for specialized functions. While this approach has allowed the District to remain responsive to immediate staffing needs, the lack of written processes and reliance on institutional knowledge has led to several staff needing to become familiar with the expectations and requirements of the role with limited support.

Recommendation 3: The District needs to prioritize developing, adopting, and consistently implementing written processes associated with the Board policies. Processes should create consistent documentation and workflow expectations, and should clearly identify penalties if the written process is not thoroughly followed.

Given the limited staffing of the District, and the need for many employees to serve in multiple roles, this process could take an unreasonable amount of time to get the processes captured, written and edited, and disseminated. The District already utilizes a vendor to assist with reviewing Board policy for update and development when current policy is absent on a content area. The District (and/or GA DOE) should consider leveraging this same practice to contract with a third party to assist with a more formal and thorough process gap analysis, to identify where the District has processes that need to be captured and formalized, and where there may be areas contemplated in the GDOE Local Units of Administration Financial Management Manual that the District has not made any determinations for. These should be brought to the District's attention so that the appropriate authority can establish policy and procedures, as appropriate.

Observation 4: Nearly all of the processes observed during M&J's fieldwork are predominantly manual, and nearly all supporting documentation is only retained in physical form. The District's disaster recovery plan does not acknowledge nor address potential risks associated with physical damage to the building or its contents that may render supporting documentation destroyed or inaccessible.

Recommendation 4: The District should begin scanning and storing electronically all financial supporting documentation, and ensure that the storage of this documentation is considered as part of the District's technology disaster recovery plan.

Longer-term, the District may want to consider the use of SharePoint or other Microsoft Office tools that allow for the development of workflows that could move requisitions, invoices, travel requests, and other transactions through an online approval process that could electronically capture the date of review and approval by appropriate individuals.

Observation 5: Currently, the District is only creating purchase orders at the point of placing an order for a good or service, or processing an invoice received for previously contracted goods or services. The District has limited visibility into funds that may be obligated or encumbered for long-term contracts, which could result in overspending.

Recommendation 5: The District should determine a process for tracking the obligation of funds that may not immediately be spent in a single invoice or transaction. The District should determine whether PCGenesis would be an appropriate avenue for this tracking, or if an alternate tracking process would serve the District's needs

Observation 6: The Executive Assistant to the Superintendent is responsible for opening the mail and processing all checks due to the District and invoices in the mail, as well as processing vendor payment checks by putting them in the mail or holding for vendor pickup. There is an inadequate separation of duties, allowing a single individual to receive mail, process invoices for payment, process checks for deposit, and disseminate checks for payment once processed.

Recommendation 6: The District must separate the duties described above. One individual should receive and open mail, and log all checks received on a check log (physical or virtual.) The signature of both the CFO and the Superintendent on invoices/checks for payments provides some level of assurance of adequate review and controls. The District should separate invoice receiving, invoice processing, and check distribution, to help prevent potential fraud through manufacture of invoices with fraudulent addresses.

Observation 7: The District did not consistently maintain packing slips or shipping confirmation documentation for received goods ordered online or through the mail. This lack of supporting documentation makes it more challenging to verify that the received order was complete and accurate, and payments may be made for goods that were not received.

Recommendation 7: The District should develop and implement procedures to capture some sort of documentation confirming receipt of the complete order before paying an invoice. This should include packing slips or written order confirmations when available, and could also include signatures of the receiving individual to verify that they compared the received goods to the order to verify complete delivery of ordered goods.

The Nutrition Department is implementing leading practice, writing “received” on the invoice or other order documentation when a packing slip or order confirmation is not available. The note is then signed and dated to confirm the receipt of ordered goods.

Observation 8A: The District’s PCard program is administered by the CFO, who also serves as one of two District cardholders. Leading financial practices discourage the PCard Program Administrator from also being a cardholder, as this dual role can create a conflict of interest and impede segregation of duties. Additionally, the Superintendent is the second cardholder, and also the individual responsible for signing all District checks. This dual role can also create the opportunity for collusion, coercion, and improper use of card, as all reviewers and preparers are subordinate to the Superintendent.

Observation 8B: The District’s PCard processes designed to mitigate risk are inconsistently implemented, with many transactions missing adequate supporting documentation and/or lacking appropriate prior authorization for use. There are a number of questioned costs associated with the PCard program.

The PCards are provided to District employees for use to make in-person purchases, and users are also provided with the pin number for the card, if a purchase over \$500 is anticipated. There is inadequate control over cash-like assets (the PCard) as those taking the card for use are not required to sign out the card, or sign in the card to document who is physically responsible for the card.

Recommendation 8: The District needs to develop a formal PCard Program Administration Manual. If the CFO is going to continue to be one of the two cardholders, another employee should be designated as the PCard Program Administrator.

If the Superintendent will continue to be a cardholder, the Board should adopt a regular review of PCard activity, and confirm that all purchases are in line with state and local policies surrounding PCard use, and that all transactions have adequate prior authorization and supporting documentation.

The PCard Program Administration Manual should clearly identify the required prior authorization necessary for card use, provide cash controls for individuals who may use the cards (including signature on a card use log) and require training for any individuals who may be given access to the PCard. The Administration Manual should also include disciplinary remedies for misuse of the card including unauthorized purchases, lack of prior authorization, and/or lack of supporting documentation.

Observation 9: The District is aware of only an ATM merchant category code (“MCC”) block on the card. MCC blocks would prevent card use at unauthorized merchant types, such as liquor stores or adult entertainment establishments. The use of MCC blocks is common to help prevent fraud, waste, or abuse.

Recommendation 9: The District should communicate with Bank of America to determine if there are MCC blocks on the cards in addition to the prohibition of use at ATMs. The District should determine if additional blocks are appropriate and, if so, work with Bank of America to implement those blocks to help ensure purchases are aligned with District operations and allowable under District, state, and federal requirements.

Observation 10: The District is not consistently applying its purported processes. None of the travel samples tested included the prior authorization form that is reported to be part of the process. The majority of the tested expenses did not have a purchase order.

Recommendation 10: The District needs to establish written processes that align with the practices reported to M&J during fieldwork. District leadership should lead change management efforts and ensure that these practices are consistently implemented.

Observation 11: Currently, employees that are not assigned to a school can pick up their physical paychecks directly from the HR Director on payroll. These employees are not required to sign a receipt, which is currently the practice for school-based employees.

Recommendation 11: The District should update and document its paycheck pick-up process to ensure that all District employees who receive a physical paycheck sign to document receipt of their paycheck.

Observation 12: The District lacks written procedures for the conduct of procurement activities, including the use of Requests for Proposals or other sealed competitive purchase processes.

Recommendation 12: The District should utilize the Financial Management for Georgia Local Units of Administration Manual to develop local purchasing financial processes that align with Board Policy DJED.

Observation 13: The District’s competitive procurement process lacks written procedures, which may result in inconsistent bid processes and creates opportunities for bias.

Recommendation 13: The District should adopt and document general evaluation criteria (e.g., cost, qualifications, prior performance) for vendor selection, determine the specific criteria for use in a sealed competitive bid evaluation, and require completion of an evaluation form during procurements.

Observation 14: Only 1 of 16 AP samples tested that was over the \$10,000 threshold included documentation of the Board’s approval. That 1 sample’s approval was documented in amended meeting minutes, amended after noted by the Department of Audits and Accounts during the FY24 audit.

Recommendation 14: The District should review Board Policy DJED to ensure that all purchases over the \$10,000 threshold retain appropriate documentation to support the selected solicitation method, and all purchases over \$10,000 receive documented Board approval.

Observation 15: The District has updated its practices related to budget development and management, and in the past three fiscal years has complied with state requirements for budget hearings and adoption timelines.

Recommendation 15: The District should continue its improved procedures for budget development and management, and should ensure that the process is captured through written procedure.

Observation 16: While the District has made consistent progress in developing and implementing budget calendars that adhere to state requirements for hearing and adoption timelines, there is still limited documentation to support development of budgets (and ultimately of expenses) that align with the District's strategic documents, giving the appearance that the District's expenses are guided by whim or "in-the-moment" decisions, rather than guided by strategic alignment or a more holistic design.

Recommendation 16: The District should evaluate its budgeting process to determine how to best demonstrate alignment with strategic plans and other strategic efforts. This could include reflection of the District's goals, objectives and priorities, a discussion of how it will ensure expenses are aligned with those priorities, or a decision-making guide for District staff.

Observation 17: The District appears to have adopted processes to mitigate the risk of overdrawn funds in the payroll account, adopting a review of account balance upon receipt of statement, and a review of anticipated payroll withdrawals to determine if additional funds are necessary.

Recommendation 17: The District should ensure that the adopted processes are implemented consistently, including developing written processes and ensuring additional individuals can perform these duties if the primarily responsible individual is unavailable.

The District is not required to maintain a separate bank account for processing payroll. The District may also want to consider closing the payroll bank account and processing payroll out of the District's general fund bank account, to reduce the need for these additional steps.

Observation 18: Currently, there is neither a formal process nor process documentation for fund transfers between District bank accounts.

Recommendation 18: The District should adopt processes to document the review of need and authorization to transfer funds, and should be supported by the banking transfer confirmation documentation to verify that the determination and the requested amount match. The process should include both a reviewer/preparer and an approver.

Observation 19: The District's current vendor registration process only includes collection of a W9. Vendor address updates can be made solely from an invoice that reflects a different address from what is listed for the vendor within PCGenesis, or previous requests for payment.

Recommendation 19: The District should develop and adopt a more rigorous vendor management process, including having vendors complete forms with their mailing and payment addresses, list individuals authorized to approve changes in vendor information, and identify any potential related parties or other conflicts of interest within the District, such as board members or District employees. Any vendor information changes should be verified by contacting an authorized representative of the vendor via a known contact method, including phone calls or verified email addresses. As appropriate, the District should verify that vendors are not listed on federal or state debarment lists and confirm that the vendor complies with the Georgia Security and Information Compliance Act of 2006.

Observation 20: The District's timesheets and leave forms were inconsistently signed in conformance with the District's purported process.

Recommendation 20: The District should develop and consistently enforce a written process outlining requirements for completing leave forms and timesheets and obtaining the required approvals. If the District moves to an electronic timekeeping system, some of the issues noted with the physical timekeeping process may be mitigated.

Observation 21: The District's deductions for benefits do not align with the invoices from the benefit provider. In some instances, the District is deducting pay from employees that is not going to an insurance premium, which may mean that employees incorrectly believe that they have benefits they do not. In other instances, the District is using its own funds to pay for premiums or benefits for employees, as there is either no deduction or a deduction that is less than the associated premium.

Recommendation 21: The District should do a complete review of all of its current enrollments and deductions to true up the current deductions with the current enrollments. For employees who have been over-deducted, the District should repay these employees within a pay period. For those who have not been deducted, the District should correct the deductions and assess the need to recoup any funds paid by the District on the employee's behalf.

Conclusion and Next Steps

Overall, the District has demonstrated that it can develop and implement some of the necessary internal controls, and create forms and processes to help ensure standardization and compliance. The District appears to understand the issues that are being identified during the annual audit process, and the proposed corrective actions could be effective in resolving identified issues. Efforts to date, however, appear to be limited by the lack of change management support and enforcement of updated processes by leadership. If consistently implemented, a number of processes shown to M&J and discussed during interviews, would be effective in helping to mitigate risk and create a stronger control environment.

The District, however, is still operating in a reactive mode, responding to issues as identified by audits or other reviews, and then addressing those issues. The District lacks the capacity, and in some instances perhaps the capability, to think more strategically and proactively about operational efficiency, effective controls and support, and comprehensive processes, procedures, and management communications.

Next Steps:

The recent retirement of the District's Superintendent and the appointment of an interim Superintendent allows for a unique opportunity to begin an in-depth assessment of current practices, introduction of efficiencies in operations, and to begin documenting processes and procedures to help ensure consistent implementation moving forward. The District has expressed a desire for assistance in continuing to make progress, improve and document its processes, and has communicated its intent to work with the Department of Education to continue to make positive changes that will move the District forward.