



VIRGINIA BEACH CITY PUBLIC SCHOOLS

CHARTING THE COURSE

MEMORANDUM

TO: Audit Committee of the School Board of the City of Virginia Beach

FROM: Ms. Karen W. Woodson, CIA, CFE ^{KW}
School Board Internal Auditor, Department of Internal Audit

SUBJECT: Remote Work Agreement Audit

DATE: February 11, 2025

BACKGROUND

As part of the calendar year 2024 Audit Work Plan, the Department of Internal Audit (IA) has performed a Remote Work Agreement Audit.

The Office of Employee Relations (ER) within the Department of Human Resources (HR) is responsible for filing each Remote Work Questionnaire (RWQ) and each Remote Work Agreement (RWA) for Virginia Beach City Public Schools (VBCPS) employees as per School Board Regulation 4-31.2, *Remote Work and Remote Working Agreements*. The RWQ should be completed and signed by the employee's supervisor and the applicable departmental chief.

The RWQ assists supervisors in determining if an employee is eligible for a RWA. If the RWQ indicates that the employee is eligible for remote work, the next step is to complete a RWA. The RWA includes the employee's remote work schedule, frequency (full-time, hybrid, episodic, limited), work location and technology requirements. The RWA is signed by the employee and their supervisor. The RWA must be approved by the departmental chief, who is responsible for making sure that it complies with the School Board Regulation. ER reviews the RWA to ensure that the applicable chief approved the agreement.

School Board Regulation 4-31.2, *Remote Work and Remote Working Agreements* states that:

- Authorization for an employee to work remotely is at the discretion of the applicable chief, provided that a RWA is filed with HR.
- The remote work location must be within the Commonwealth of Virginia. Working in a location outside of Virginia is prohibited.

BACKGROUND, CONTINUED

- Remote work cannot be used in lieu of taking personal leave, sick leave or annual leave. An administrator may determine if it is appropriate to offer remote work as an opportunity for temporary, partial or full return-to-work from illness/injury or for disability accommodations. The department is required to contact ER whenever disability accommodations are being considered, and all accommodations have to be approved by ER and the chief.

AUDIT OBJECTIVES, METHODOLOGY, RESULTS, AND CONCLUSIONS

Inquiry and examination of documents and data, as well as interviews, were the methods of reviewing internal controls. The audit period was the 2024-2025 school year. IA reviewed all RWAs filed with ER. No sampling methodology was used in this audit. IA obtained a list of VBCPS employees that work remotely from supervisors, chiefs and principals in each department, office and school.

IA conducted this audit primarily to review compliance with the School Board Regulation. The audit objectives, methodology, results and conclusions are as follows:

1. Objective:

Determine if procedures for RWAs outlined in School Board Regulation 4-31.2, *Remote Work and Remote Working Agreements*, are being followed.

Methodology:

A) IA compared the list of employees working remotely, that was obtained from supervisors, chiefs and principals, to the RWAs filed with ER.

Results:

One hundred and seven VBCPS employees from three departments/offices are working remotely and do not have a RWA filed with ER.

B) IA reviewed responses from supervisors, chiefs and principals to determine if any employees who reside outside of the Commonwealth of Virginia are working remotely.

Results:

Six VBCPS employees from two departments/offices reside outside of the Commonwealth of Virginia and are working remotely.

C) IA obtained a list of employees who worked remotely due to illness from supervisors, chiefs and principals. IA determined if each employee with remote work accommodations had been approved by ER.

Results:

All employees with remote work accommodations for illness, who were identified by supervisors and chiefs, were approved by ER.

Conclusion:

One hundred and thirteen employees from four departments/offices are not following procedures for RWAs, as outlined in School Board Regulation 4-31.2, *Remote Work and Remote Working Agreements*.

AUDIT OBJECTIVES, METHODOLOGY, RESULTS, AND CONCLUSIONS, CONTINUED

2. Objective:

Provide data illustrating employee remote work statistics.

Methodology:

IA used information from responses from supervisors, chiefs and principals to compile statistics regarding remote work. IA documented if the employees working remotely are in an exempt or non-exempt status and determined the number of remote workers by category (full-time, hybrid, episodic, limited).

Results:

Remote Work Statistics Obtained from Supervisors	Classification-Exempt	Classification-Non-Exempt	Total
Employees Working Remote Full-time	24	4	28
Employees Working Remote Hybrid	79	62	141
Employees Working Remote Episodic	28	38	66
Employees Working Remote Limited	4	2	6
Total	135	106	241

Note: No schools had employees working remotely.

Conclusion:

Data was provided illustrating employee remote working statistics.

AUDITING STANDARDS

IA conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings, other items noted and conclusions based on our audit objectives.

The results of the audit were discussed with management. We thank management and staff of the Office of Employee Relations and the school and department/office supervisors who were contacted for their cooperation throughout the audit.

cc: Dr. Darnita L. Trotman, Chief Human Resources Officer, Department of Human Resources

Ms. Stephanie A. Enzmann, Director of Employee Relations

Ms. Cheryl R. Woodhouse, Chief of Staff, Office of the Superintendent

AUDIT RESULTS AND MANAGEMENT'S RESPONSES

Finding No. 1: Remote Work Occurring Outside the Commonwealth of Virginia

Six employees work remotely but live in North Carolina (NC), including four employees from the Department of Technology (DOT) and two employees from the Office of Consolidated Benefits (Benefits). School Board Regulation 4-31.2, *Remote Work and Remote Working Agreements*, states, "The remote work location must be within the Commonwealth of Virginia. Working in a location outside of Virginia is prohibited." Three employees from DOT have a limited remote schedule, and one employee from DOT has a hybrid remote schedule. None of these employees have RWAs. Two employees from Benefits have RWAs for a hybrid remote schedule but the work address on each agreement is Chesapeake, not each employee's home address in NC. The remote work location is not being monitored. VBCPS' payroll and timekeeping system, WISE, is not configured to calculate time for employees working outside of the Commonwealth of Virginia. VBCPS does not report wages earned in NC to the Internal Revenue Service or the state of NC. Incorrect tax reporting can lead to underpayment of NC state employment tax (including penalties and interest), if applicable.

Recommendations:

IA recommends that the employees comply with the remote work School Board Regulation, as they are prohibited from working outside of the Commonwealth of Virginia.

Management's Response:

The Chief of Staff will work in conjunction with the Chief Human Resources Officer to ensure that the identified employees comply with the School Board Regulation to prohibit work outside of the Commonwealth of Virginia by March 30, 2025.

- *IA received notification from ER that, effective immediately, the Chief Financial Officer has already terminated RWAs for the two employees in Benefits.*
- *IA received notification from ER that, effective immediately, the Chief Information Officer has already terminated RWAs for the four employees in DOT.*

Finding No. 2: Remote Work Occurring Without Remote Work Agreement

One hundred and seven VBCPS employees work remotely but do not have a RWA on file with ER. Three employees work in the Office of the Superintendent, 77 employees work in DOT and 27 employees work in the Department of Communications and Community Engagement. School Board Regulation 4-31.2, *Remote Work and Remote Working Agreements*, states, "Authorization for an employee to work remotely is at the discretion of the applicable chief officer, with a Remote Work Agreement provided to the Department of Human Resources." Supervisors were not aware of the requirement and/or did not complete the RWA. A completed RWA ensures that the employee is clear on the expectation of the agreed upon arrangement. (For example, work schedule, location, technology requirements, etc.)

AUDIT RESULTS AND MANAGEMENT'S RESPONSES, CONTINUED

Recommendations:

IA recommends that ER coordinate with the office and departments to ensure RWAs are provided for the employees identified.

Management's Response:

The Chief Human Resources Officer and Chief of Staff concur. ER will coordinate with the office and departments listed above to ensure RWAs are completed for the identified employees by March 30, 2025.

ITEMS NOTED AND MANAGEMENT'S RESPONSES

Items Noted No. 1: Remote Work Agreement Form

IA noted during discussions with supervisors that the RWA form is confusing, particularly the section that identifies the frequency of remote work. The RWA form lists a choice of four categories for frequency of remote work as follows:

- Full-time – Employee works remotely for their full work schedule.
- Hybrid – Employee consistently works remotely at least one day a week per the hybrid pattern listed below. Deviations from this schedule must be approved by the supervisor.
- Episodic – Employee typically works remotely less than once per week. Remote work is on a sporadic or task-driven basis. Employee may be required to work remotely to meet Division demands.
- Limited – A non-recurring situation of more than five days but no more than two pay periods in duration.

The difference between the episodic and limited category is not clear. Unclear descriptions may cause employees to select the wrong type of remote work category, therefore, their true frequency is not properly identified.

Recommendations:

IA recommends ER review the RWA form to determine if the categories should be updated/clarified to eliminate confusion.

Management's Response:

The Chief Human Resources Officer concurs. ER will review the RWA form and update/clarify the categories as needed by June 30, 2025.