
Collier County Public Schools

Audit Follow Up Activities

November 8, 2022

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TRANSMITTAL LETTER

November 8, 2022

The School Board of
Collier County Public Schools
5775 Osceola Trail
Naples, FL 34109

Pursuant to our approved Statement of Work dated October 19, 2021 with Collier County Public Schools (“CCPS”), we hereby present the results of our follow-up procedures over the *Timekeeping* report (issued January 2019) and the *Self-Insurance Fund* report (issued January 2020). The objective of this project was to obtain the status of remediation efforts implemented by CCPS Management in response to prior issued observations. Below is a summary of the current remediation status of observations within these audit reports:

Audit Report	Report Date	Total Findings	Closed	In Process	Not Started
Timekeeping	January 2019	7	0	7	0
Self-Insurance Fund	January 2020	4	1	3	0
Total Audit Findings		11	1	10	-

We would like to thank the staff and all those involved in assisting us with this engagement.

Respectfully Submitted,

RSM US LLP

RSM US LLP

TIMEKEEPING

Issued January 2019

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

1. Manual Timekeeping Process		Current Status: In Process
Observation Summary		
<p>The CCPS timekeeping process is heavily manual in nature, causing additional procedures which decreases workflow efficiency: manual steps; time spent interpreting unreadable timesheets; follow up on missing timesheets; recalculation of totals; tracking down supervisor approval; corrections; and dealing with other errors or irregularities in the source documents provided. Manual procedures in a timekeeping process increase the risk of (1) human error in data entry, (2) fraudulent time reporting, and (3) processing of unauthorized employee time, which can result in under/over payment of time worked.</p>		
Recommendation Summary		
<p>It is our understanding that CCPS is currently in the process of researching and identifying ways to automate the manual time keeping process and update the existing timekeeping system, TERMS. We recommend that CCPS adopt an automated timekeeping system.</p>		
Management’s Action Plan		
<p>Response: CCPS is currently exploring Enterprise Resource Planning (ERP) options that would address all of the recommendations throughout the report. Responsible Party: Financial Services Department; Human Resources Department; Compensation Department; Technology Department Estimated Completion Date: It is estimated to take several years to identify and implement an ERP software system.</p>		
Updated Management Comments as of July 2022	Updated Audit Comments as of July 2022	
<p>While the District is actively searching for a suitable replacement to the current ERP system, TERMS, there is uncertainty as to whether any replacement would contain the functionality necessary for the District’s Payroll and Timekeeping processes. While continuing to search for a replacement ERP system, the District has elected to expand its use of the timekeeping application, Kronos, which has historically been used within the Maintenance and Transportation departments. The District sought an updated Kronos package in 2020 and experienced piloting delays due to the COVID-19 pandemic. Piloting resumed in January 2022 with the Payroll and Technology Department, and the District anticipates a go-live in 2023.</p> <p>Updated Estimated Completion Date: August 1, 2023</p>	<p>Per management, remediation actions have not yet been completed. RSM will perform follow-up testing at least six (6) months after the updated estimated completion date.</p> <p>This observation will remain open.</p>	

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

2. Standardized Timekeeping Policies and Procedures

Current Status: In Process

Observation Summary

Throughout our testing, we noted that departments/schools generally follow similar processes for timekeeping. However, there are numerous inconsistencies across CCPS regarding how time is recorded and the role and responsibilities of the designated Timekeepers. The Payroll department does provide training in TERMS as part of the on-boarding process for new Timekeepers. However, because there are no centralized formal written District-wide Timekeeping Policies and Procedures in place and inconsistencies exist among various Timekeeper processes in their respective areas, effective training is challenging.

Recommendation Summary

We recommend CCPS create a formalized Timekeeping Policy and Procedure manual that is to apply to all departments/schools. The Timekeeping Policy and Procedure manual should detail the timekeeping process and payroll timeline, as well as key functions in TERMS and Kronos where applicable. The procedures should also include definitions of the various roles related to timekeeping. In addition, we recommend the District conduct a mandatory District-wide training when the policies and procedures are finalized and issued. Attendance should be mandatory for all Timekeepers and Payroll employees. Review policies and procedures at least annually, update the procedures as needed (include the revised date within the document), and provide updated policies/procedures to those involved in the timekeeping process.

Management's Action Plan

Response: CCPS will create a formalized Timekeeping Policy and Procedure manual; conduct mandatory District-wide training when policies and procedures are finalized and issued; review and update policies and procedures annually and update procedures as needed.

Responsible Party: Payroll Department and HR/Compensation Department

Estimated Completion Date: Fiscal Year 2020-2021

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

2. Standardized Timekeeping Policies and Procedures (continued)	
Updated Management Comments as of July 2022	Updated Audit Comments as of July 2022
<p>As noted in Observation 1, the District has begun expanding its use of the Kronos application for timekeeping functions, and anticipates a full implementation in 2023. In the meantime, a draft Timekeeping SOP has been created and training materials have been updated to reiterate timekeeping expectations across the District. Training sessions were held on October 15^h and 22nd of 2021.</p> <p>Updated Estimated Completion Date: November 1, 2022</p>	<p>RSM obtained the newly implemented Timekeeping SOP, which Management states will remain in draft form until Kronos is fully piloted and implemented. Upon review, we noted that the document contains several key areas, including roles and responsibilities, timeliness expectations of post-payroll review, compensatory time information, and time reporting definitions. RSM notes that Management plans to update the SOP with Kronos-specific procedures after the application's implementation is complete.</p> <p>RSM noted that the Compensation Department has developed timekeeping training materials for all District employees involved in the timekeeping process (timekeepers, secretaries, department and school leaders, etc.) We obtained evidence that relevant District staff attended the training, and recognize the extensive progress made in standardizing the timekeeping policies and procedures.</p> <p>This observation will remain open until Kronos has been fully implemented and until the timekeeping SOP and training material has been updated and recommunicated to reflect any new procedures specific to Kronos.</p>

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

3. Supporting Documentation and Record Retention

Current Status: In Process

Observation Summary

Per walkthrough procedures performed for our sampled departments/schools, we noted that there is an inconsistent understanding of how long timesheet supporting documentation (leave forms, time cards, overtime approval, etc.) should be retained.

We were unable to obtain support for ten (10) out of twenty-five (25) of our samples that had leave and/or overtime due to lack of document retention (40%). As such, there is no evidence that the leave and/or overtime was properly approved and recorded. Five (5) out of six (6) sampled departments/schools noted that they do not retain these records for more than one (1) year. Nutrition Services did not retain evidence for one (1) of the seven (7) samples and had inconsistent understanding of the retention policy. The additional school (Golden Terrace Elementary School) and the three sampled departments (Transportation, Facilities Management, and Financial Services) were able to provide the leave/overtime forms for our sample period, however, they had varying understandings of the District's retention policy.

Maintaining records for prior years is important to mitigate risks. Lack of an audit trail increases CCPS's risk of: non-compliance with CCPS, state, and federal timekeeping requirements; errors, opportunities for misuse or fraud; and ineffective management over timekeeping and payroll processing.

Recommendation Summary

We recommend that Management formally document the retention policy. We further recommend that Management review District, State, and Federal laws and update, when applicable, the internal retention policy on an annual basis to ensure compliance. We recommend that the retention policy be included in the Timekeeping Policies and Procedures Document recommended as part of **Observation #2**. We further recommend that during the annual training for Timekeepers, the retention policy be reiterated so that accurate documentation is retained.

In order to begin retaining the required documents as soon as possible, we recommend that CCPS immediately communicate timekeeping record retention requirements to all involved in the timekeeping process (Timekeeper, Supervisor, Department Lead, Principal, Payroll, etc.).

Management's Action Plan

Response: Timekeeping record retention requirements will be formally documented and communicated to all involved in the timekeeping process.

Responsible Party: District Operations & Financial Services

Estimated Completion Date: Fiscal Year 2020-2021

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

3. Supporting Documentation and Record Retention (continued)	
Updated Management Comments as of July 2022	Updated Audit Comments as of July 2022
<p>The District plans on formally documenting and recommunicating document retention expectations in the next iteration of the Timekeeping SOP.</p> <p>Updated Estimated Completion Date: December 1, 2022</p>	<p>Through discussions with management and review of the draft Timekeeping SOP, RSM noted that retention expectations have not yet been formally documented. However, per management, expectations have been informally communicated to all members of the timekeeping process (Timekeepers, Supervisors, Department Leads, Principals, etc.).</p> <p>RSM selected a sample of fifteen (15) employees across various pay periods and requested the timecard and relevant leave approvals (sick leave, personal leave, training, compensatory time, etc.). We received all relevant leave approval forms, but timecards were unavailable for three (3) samples.</p> <p>This observation will remain open until further testing of yields zero (0) exceptions, and until document retention expectations are formally documented and communicated to staff.</p>

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

4. Timekeeping Tracking, Verification, and Authorization

Current Status: In Process

Observation Summary

Timesheet Tracking

We noted that CCPS tracks time for hourly employees classified as Teamsters, as required per the bargaining agreement with Teamsters Union #79, however, CCPS does not consistently or formally track hours worked for non-exempt employees who are paid a salary rate (as opposed to hourly). CCPS uses the exception-based process for these employees, only tracking time in which the employee does not work (through leave forms) and overtime through overtime approval forms. Further, we noted that some schools/departments allow compensatory time, however, there is not a standardized process for tracking or recording this to ensure that CCPS complies with state and federal laws. See **Observation #7**.

Timesheet Verification by Employee

CCPS policies and procedures do not require non-exempt salary employees to certify to the best of their knowledge that the information is true and correct regarding the payroll hours worked and reported on their respective timesheets. Per the FLSA Section 29 CFR 516.2, employers must track and retain hours worked each day for all non-exempt employees, salary and hourly. The FLSA provides an alternative to daily time sheets when an employee works a fixed schedule. However, to comply with the law, the employee must affirmatively confirm each week that he or she worked the fixed period. In the event the employee worked any hours less than or greater than the fixed schedule, the total hours worked each day during a week with any deviation from fixed schedule must be specifically recorded by work day.

Timesheet Authorization by Supervisor

Currently, there is no requirement for an employee's immediate supervisor to approve time reported pre-payroll. Per inquiry with the Payroll Department, Timekeepers are encouraged to run an Edit Report, panel **HB659**, before finalizing the timesheet and sending it to payroll. However, we noted that this is not consistently occurring across CCPS. See **Observation #2**. We further noted that, for the departments/schools that do perform a pre-approval, this review is not documented. Effective documented supervisory-level review and approval of time is an important control measure that will help detect and minimize payroll errors, whether intentional or not.

Recommendation Summary

We recommend that CCPS perform the following, and document procedures in the standardized timekeeping policies and procedures (see **Observation #2**).

- Track all non-exempt employees' time, not just by exception.
- Decide whether or not compensatory time is allowed. If CCPS chooses to allow compensatory time, CCPS will need to formalize the hour limits and process of approving, documenting, tracking (including pay type code for recording of compensatory time) and reconciling earned and taken compensatory by employees, including development of standardized template/tracking mechanism of hours earned and used for the departments/schools to use for monitoring.
- Implement a requirement for all employees to certify that the hours worked and reported on their respective timesheets each pay period is accurate.
- Implement a requirement for all timesheets be reviewed and approved by an employee's immediate supervisor pre-payroll. This review can be performed by the Timekeeper, however, it must be additionally reviewed by the employee's immediate supervisor.

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

4. Timekeeping Tracking, Verification, and Authorization (continued)

Management’s Action Plan

Response: CCPS will create a formalized written procedure and is currently exploring ERP options that would address recommendations throughout this report.

Responsible Party: Human Resources Department/ Payroll Department

Estimated Completion Date: It is estimated to take several years to identify and implement an ERP software system.

Updated Management Comments as of July 2022	Updated Audit Comments as of July 2022
<p>While the District is actively searching for a suitable replacement to the current ERP system, TERMS, there is uncertainty as to whether any replacement would contain the functionality necessary for the District’s Payroll and Timekeeping processes. While continuing to search for a replacement ERP system, the District has elected to expand its use of Kronos, which has historically been used for timekeeping within the Maintenance and Transportation departments. The District sought an updated Kronos package in 2020 and experienced piloting delays due to the COVID-19 pandemic. Piloting resumed in January 2022 with the Payroll and Technology Department, and the District anticipates a go-live in 2023. The District anticipates Kronos will address each of the issues and recommendations noted above, regarding timekeeping tracking, verification, and authorization.</p> <p>Updated Estimated Completion Date: July 1, 2023</p>	<p>Per management, remediation actions have not yet been completed. RSM will perform follow-up testing at least six (6) months after the updated estimated completion date.</p> <p>This observation will remain open.</p>

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

5. System User Access and Segregation of Duties

Current Status: In Process

Observation Summary

We identified 287 individuals with access to key timekeeping panels in TERMS, and performed an analysis of the users identified to assess their reasonableness. We grouped the employees into five categories based on job titles, shown in the table below:

Category	Job Title	Number of Users with Key Timekeeping Access in TERMS
1	Office Manager, Department Manager, Executive Secretary, Assistant Managers	172
2	Payroll and Budget Personnel	11
3	Clerk, General Office Assistants	29
4	Principals and Directors	15
5	Other (Bus Driver, Substitute Teaching Aid, Nutrition Service Worker, Foreman Tools & Part, Teacher Physical Education Elementary, etc.)	60
TOTAL		287

We identified fifteen (15) Principals/Department Leads with edit access to Timekeeping functions (**Category 4**). While their access may not be inappropriate, we believe this access could be excessive as we did not identify a clear business need for Principals/Department Leads to update time records.

The fifth category we identified is what we believe to be the high-risk area for CCPS (**Category 5**). We identified sixty (60) individuals with job titles that do not align with who we would assume require this level of key access, such as: Bus Driver, Substitute Teaching Aid, Foreman, etc. We inquired about specific individuals identified in this Category with Office Managers at our sampled departments/schools. The majority of the individuals we asked about had previously served in a different role that required this access (2-5 years prior) but the key access was never properly removed when their job responsibilities changed. We noted that, in many instances, CCPS uses a “mirroring access” process in which a new employees’ access is set up to mirror that of another employee, as opposed to specific panels and roles within TERMS being assigned to the new employee. By doing this, CCPS increases the risk that inappropriate access will be passed on to another employee.

Additionally, we assessed segregation of duties between individuals with access to edit timesheets and those with the ability to create new employees for payroll processing. Per discussion with Human Resource management, new employees are created in Identity Manager prior to be transferred (systematically) to TERMS. We obtained a listing of users with access to create new employees in Identity Manager. Per inspection, eighteen (18) users have the ability to create new employees. We compared these eighteen (18) users to the listing of users with access to the above key timekeeping functions within TERMS and noted that five (5) Human Resource personnel have the ability to create a new employee and update timesheets.

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

5. System User Access and Segregation of Duties (continued)

Recommendation Summary

We recommend that CCPS perform a detailed review over all users with edit access to key functions as it relates to timekeeping. We further recommend that any user identified as having excessive or inappropriate edit access has their access to key panels removed.

CCPS should also develop, document, and implement procedures to regularly monitor and review user profiles including terminated employees, temporary user profiles, and transfers within CCPS. A documented review of system user access should be performed on at least an annual basis.

Management’s Action Plan

Response: System user access and segregation of duties procedures will be incorporated into the Timekeeping Policy and Procedure manual. In addition, user access to timekeeping functions will be reviewed annually.

Responsible Party: Technology Department

Estimated Completion Date: October 2019

Updated Management Comments as of July 2022

The Technology Department has created procedure number SP-1240, which defines processes related to access authorization, access mirroring, and access revocation. The Department has also implemented an annual user access review of the TERMS application. Several improvements will be made to the UAR process during the upcoming 2022 review, including:

1. Tracking UAR statuses for each school/department to verify completion
2. Confirmation of changes made will be sent to each school/department

Updated Estimated Completion Date: June 1, 2023

Updated Audit Comments as of July 2022

RSM noted that the Technology Department created policy SP-1240, which defines acceptable access-related procedures.

Upon review of the 2021 TERMS user access review, RSM noted that while there was evidence that a review was performed with over 30 schools, there was no evidence that a review was performed with the remaining 25 schools or with any District departments. Of the UARs that were performed, only one (1) had evidence that confirmation of changes was sent to the school.

Upon review of individuals with current access to the TERMS timekeeping panels, we noted 20 individuals had inappropriate access. These individuals had job titles that did not align with any timekeeping responsibilities (i.e., bus driver, fourth grade teacher).

This observation will remain open.

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

6. Post Payroll Review

Current Status: In Process

Observation Summary

We noted that Principals/Department Leads are required to sign off on a post payroll report every period, evidencing that they have reviewed and agree with the hours recorded for that period. Per our testing, we noted that this review sometimes occurs well after employee's payment has been posted. Of the sixty-seven (67) sampled timesheets, we noted that seven (7) reviews occurred eleven to fourteen days after payroll processing (10%), six (6) occurred fifteen to nineteen days after payroll processing (9%), and three (3) occurred twenty to twenty-eight days after payroll processing (4%). The post payroll review, appropriate designees, and timeliness is not a documented requirement.

An ineffective complete review process, increases CCPS's risk of payroll records containing errors, which may not be properly detected in a timely manner.

Recommendation Summary

We recommend that CCPS formally require Principals/Department Leads, or appropriate level designee independent of time recording process, perform a formal post payroll review by, at least, comparing aggregate totals on post payroll reports to the applicable department/school's internal timekeeping records to verify accurate and complete processing. Any discrepancies identified from this review should be reported back to Payroll in a timely manner. If there are no discrepancies, nothing needs to be reported back to Payroll. This review should be performed within five (5) days of payroll processing. The post payroll review should be documented, so that there is a trail of the review and accountability. The documented review could include an electronic sign off, with the review date and saved to the shared drive. This will aid in the identification of payroll time entry errors, if any. The above process should be documented and included within the standardized timekeeping policies and procedures. See **Observation #2**.

Management's Action Plan

Response: CCPS will create a formalized Timekeeping Policy and Procedure manual. CCPS is currently exploring ERP options that would address the process for payroll review.

Responsible Party: Payroll Department/Human Resources

Estimated Completion Date: It is estimated to take several years to identify and implement an ERP software system.

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

6. Post Payroll Review (continued)	
Updated Management Comments as of July 2022	Updated Audit Comments as of July 2022
<p>As noted in Observation 1, the District has begun expanding its use of the Kronos application for timekeeping functions, and anticipates a full implementation in 2023. In the meantime, a draft Timekeeping SOP has been created and contains expectations regarding timeliness of post-payroll reviews. The District will continue to train and reiterate review expectations and payroll processes to staff.</p> <p>Updated Estimated Completion Date: November 1, 2022</p>	<p>RSM obtained the draft Timekeeping SOP and noted that timeliness expectations regarding the post-payroll review have been defined to no later than two (2) weeks from the pay date. Through our detailed testing, however, we noted four (4) exceptions:</p> <ol style="list-style-type: none"> 1. One (1) post-payroll review did not contain a date, and thus, we were unable to assess its' timeliness 2. Three (3) post-payroll reviews occurred greater than two (2) weeks from the pay date. <p>This observation will remain open until further testing yields zero (0) exceptions.</p>

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

7. Compensatory Time

Current Status: In Process

Observation Summary

Per our discussions at the sampled schools/departments, we noted an inconsistent understanding of the Compensatory Time policy and what the appropriate documentation procedures are. We noted that if the sampled school/department allowed compensatory time, documentation was not formalized or consistently retained, and approval of compensatory time was not documented. This informal and highly manual process is susceptible to inaccuracies

Recommendation Summary

We recommend that CCPS hold trainings on compensatory time and how to properly track and document it. Attendance should be required and documented for all Timekeepers. Additionally, CCPS should redistribute the policy on compensatory time to all Principals, Department Directors, Office Managers, and Payroll employees. We further recommend that the policy on compensatory time be included in the standardized timekeeping policies and procedures recommended as part of **Observation #2**.

Management's Action Plan

Response: CCPS will create a formalized training on compensatory time with mandatory attendance for key timekeepers in the District. CCPS will redistribute procedures on compensatory time to all Principals, Department Directors, Office Managers, and Payroll employees.

Responsible Party: Human Resources Department

Estimated Completion Date: October 2019

OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

7. Compensatory Time (continued)	
Updated Management Comments as of July 2022	Updated Audit Comments as of July 2022
<p>In 2019, the District updated instructional materials to specify acceptable compensatory practices, and held training sessions for office managers, timekeepers, and other key personnel. The HR Department has also developed an electronic comp. time form, which requires supervisor approval prior to processing. We plan to further formalize procedures to include a month-end review process to be completed by the Compensation Department in order to reduce year-end payroll corrections.</p> <p>Updated Estimated Completion Date: July 1, 2023</p>	<p>RSM reviewed the updated training materials and noted that information regarding comp. time review and approval procedures was included. RSM selected a sample of individuals who utilized compensatory time and obtained the request and approval form for each. During our review, we noted that each of the five (5) sampled comp. time forms correctly contained a signature from the employee, approval from their supervisor, approval from HR/Compensation staff, and approval from the HR/Compensation Director. However, during our review, we noted the following:</p> <ul style="list-style-type: none"> • One (1) of the sampled comp. time forms was not fully completed (the “justification” section was blank) • HR/Compensation Department approval of comp. time requests was obtained after the employee had already used the time. For the five (5) samples tested, signatory approval was obtained between seven and sixty-six days after the comp. time had passed. • Documentation of a post-payroll review or evidence of a month-end compensatory time review was not available for any of the samples selected. <p>Management states that procedures related to comp. time and its review will be further defined and developed in Fall 2022.</p> <p>This observation will remain open until the request, approval, and month-end review process of compensatory time is defined and implemented, and until further testing of yields zero (0) exceptions.</p>

SELF-INSURANCE FUND

Issued January 2020

OBSERVATIONS MATRIX – SELF-INSURANCE FUND (CONTINUED)

1. Completeness and Accuracy of Data Used in Health Fund Actuarial Analysis	Current Status: In Process
Observation Summary	
<p>We noted the District does not have controls in place to validate the completeness and accuracy of data provided to Willis Towers Watson (“Willis”) for actuarial analysis of the CCPS health insurance plan. Instead, TPAs provide required data directly to Willis to perform the actuarial analysis. We also noted that CCPS does not have a process in place to obtain or review Service Organization Control (“SOC”) 2 reports on an annual basis for TPAs. The SOC reports may also include complimentary user entity (CCPS) controls that the third party deems the responsibility of the entity to implement. We noted that CCPS does not have a process to validate that all complimentary controls listed in SOC 2 reports are in place.</p>	
Recommendation Summary	
<p>We recommend that CCPS establish procedures to confirm that information provided to Willis by TPAs for actuarial analysis is complete and accurate. This would include reconciliation of data generated by vendors to other sources of information, to confirm accuracy prior to use by Willis for analysis.</p> <p>CCPS should also establish a process for Benefits to obtain and review SOC 2 reports, in coordination with CCPS Information Technology, on an annual basis for all third parties who provide administrative services as it relates to the self-insurance process. Management’s review should include assessment of internal control performance, noted deviations, and complimentary user entity controls.</p>	
Management’s Action Plan	
<p>Response: Staff will update consultant contract language regarding audit responsibilities and complete documentation relative to process and audit reviews.</p> <p>Responsible Party: Benefits and Wellness Department</p> <p>Estimated Completion Date: December 31, 2020</p>	
Updated Management Comments as of July 2022	Updated Audit Comments as of July 2022
<p>The District has been a member of the Collier County Health Care Consortium (CCHCC) for approximately twenty (20) years. These meetings are held quarterly and are facilitated by the District’s broker/consultant, Willis Towers Watson. One major component of these quarterly meetings is to analyze data from Allegiance (TPA), Navitus (PBM) and Community Health Partners (case management) in order to monitor, manage and reduce costs to the Plan (see “Guiding Principles” for the CCHCC which were last updated on 3/25/20.)</p> <p>The District has not yet implemented a formal, documented review process of SOC reports or the complimentary user access controls included within them, but plans to implement this process by December 2022.</p> <p>Updated Estimated Completion Date: December 1, 2022</p>	<p>RSM reviewed quarterly meeting invites, attendee listings, and presentation content packages as evidence of the new quarterly review process.</p> <p>We noted that SOC reports were obtained by the District for two (2) of the four (4) health-plan related TPAs. Further, RSM noted that evidence of review over the reports - or the complimentary user access controls within them – does not yet exist.</p> <p>This observation will remain open.</p>

OBSERVATIONS MATRIX – SELF-INSURANCE FUND (CONTINUED)

2. Solicitation Process for Community Health Partners		Current Status: In Process
Observation Summary		
Community Health Partners has been a vendor of CCPS for over twenty (20) years, and maintains active contracts for three (3) different services. While CCPS was able to provide copies of these contracts, as well as evidence of Board Approval, there was no evidence or documentation of a competitive solicitation process over any period. While we noted that State Board of Education Rule 6A-1.012 (12) (d) provides an exemption from competitive solicitation for commodities or contractual services when available only from a single source, there is no evidence that CCPS made this determination for CHP.		
Recommendation Summary		
We recommend that CCPS consider competitive solicitation for these three services on an ongoing basis. If CCPS determines that the services provided by CHP would qualify for exemption under State Board of Education Rule 6A-1.012 (12) (d), we recommend that CCPS document this exemption and rationale.		
Management’s Action Plan		
<p>Response: Staff will document appropriate consideration of solicitation of competitive purchasing, exemptions and rationales.</p> <p>Responsible Party: Benefits and Wellness Department/Purchasing Department</p> <p>Estimated Completion Date: Completed</p>		
Updated Management Comments as of July 2022	Updated Audit Comments as of July 2022	
The District intends to document CHP as a sole-source provider, exempt under State Board of Education Rule 6A and will fulfill the statutory requirements related to the competitive solicitation exemption within the next quarter. Willis Towers Watson, the District’s actuary, provided an opinion as to why CCPS should document CHP as a sole source provider, emphasizing importance of “local delivery, dedication, and integration”, and “functional and financial considerations”.	RSM held discussions with the Purchasing Department and the Benefits and Wellness Department and obtained the statement from Willis Towers Watson, which encourages the District to document Community Health Partners as a sole source provider. At the time of this report, the District has not yet fulfilled the requirements necessary to document CHP as a sole source provider.	
Updated Estimated Completion Date: December 1, 2022	This observation will remain open.	

OBSERVATIONS MATRIX – SELF-INSURANCE FUND (CONTINUED)

3. Segregation of Duties and User Access in Benefits Enrollment Program

Current Status: In Process

Observation Summary

During our testing of segregation of duties and user access in the Benefits Enrollment Platform, we noted that:

- Individuals with elevated access to the Enrollment Platform have the ability to approve/verify their own insurance plan and dependents plan.
- The Benefits and Wellness Department does not revoke old access or remove old users within the Enrollment platform; 34 of the 62 individuals, or 55%, tested had inappropriate access.

Recommendation Summary

We recommend that CCPS update the security access within the Benefits Enrollment Platform to disallow individuals from approving their own insurance or dependent verifications. Additionally, CCPS should implement a control to review user access to the Enrollment Platform at least annually. Any users who are identified as no longer requiring the access (or no longer having approved US Enrollment access forms) should be removed.

Management's Action Plan

Response: Staff will refine internal processes and standard operating procedures (SOPs), including maintaining documentation, to support tracking of changes to implement these controls.

Responsible Party: Benefits and Wellness Department / Technology Department

Estimated Completion Date: User Access is completed and SOP will be completed July 1, 2020

OBSERVATIONS MATRIX – SELF-INSURANCE FUND (CONTINUED)

3. Segregation of Duties and User Access in Benefits Enrollment Program (continued)	
Updated Management Comments as of July 2022	Updated Audit Comments as of July 2022
<p>The District has modified the Enrollment Platform to prevent users from editing their own profile.</p> <p>The District has created an SOP titled, <i>“Platform Access Administration & Network Access Forms for Enrollers”</i>. The SOP was created in September 2020 and last revised in February 2022 and includes information regarding new hire enrollment, benefits open enrollment, and general guidance regarding the removal of enroller access.</p> <p>Furthermore, the District has implemented a regular User Access Review process over the enrollment platform and conducts reviews three times each year (prior to annual Open Enrollment, after Open Enrollment, and at the end of the Fiscal Year).</p> <p>The District plans to implement improvements to the user access review during the next iteration of the review.</p> <p>Updated Estimated Completion Date: June, 2023</p>	<p>Through detailed testing, RSM noted that Benefits employees may no longer approve their own insurance plan. If an employee is logged into the Enrollment Platform and attempts to edit their own profile, a system warning appears: <i>“An attempt to enter an employee workbook by the same employee as an administrator has been detected. Please close this window.”</i> RSM noted there were no override options to continue into the editing process after this message appears.</p> <p>RSM reviewed the newly created SOP and noted that it does not yet include detailed, step-by-step guidance related to user access reviews (“UAR”). Furthermore, of the UARs reviewed, we noted that key aspects of the review were performed inconsistently. For example, the listing of users to be reviewed may be typed in an e-mail, or may be depicted in a partial screenshot from the Benefits Platform. In both cases, we were unable to determine that the listing of users under review was complete. We also noted that confirmation of the changes made to the user’s access were not consistently communicated to the requesting party.</p> <p>We recommend the District enhance the SOP to document step-by-step guidance relating to UARs including, at a minimum:</p> <ul style="list-style-type: none"> • Who initiates the UAR; • When UARs should be completed (i.e., quarterly, after open enrollment closes, etc.); • How the listing of users is generated to verify completeness (i.e., a direct export from the Benefits platform); • Who reviews the listing; • How to process the requested changes, and • Procedures to confirm that changes were accurately made <p>This observation will remain open.</p>

OBSERVATIONS MATRIX – SELF-INSURANCE FUND (CONTINUED)

4. Governance and Makeup of Insurance Committee		Current Status: Closed
Observation Summary		
<p>We noted that the Insurance Committee does not include representation from District Finance, Risk Management, or other subject matter experts. Furthermore, we noted that there is not a clear understanding or policy documentation (i.e., a charter) explaining how the Insurance Committee should function to achieve its' goals.</p>		
Recommendation Summary		
<p>We recommend that CCPS create a charter for the Insurance Committee that documents the makeup, roles, responsibilities, as well as goals of the committee. This document should be published on the CCPS website and reviewed for updates annually. Further, we recommend that the Finance and Insurance/Risk Departments each have a representative on the committee.</p>		
Management's Action Plan		
<p>Response: Staff will maintain documentation of Insurance Committee meetings. The District will form an Insurance Advisory Group, made up of Finance, Broker/Consultant, Risk and Benefits, which will report to the Superintendent.</p> <p>Responsible Party: Human Resources Department / Benefits and Wellness Department</p> <p>Estimated Completion Date: October 1, 2020</p>		
Updated Management Comments as of July 2022	Updated Audit Comments as of July 2022	
<p>The District has formed an Insurance Advisory Committee to provide guidance over the District's health insurance fund, to report issues and progress directly to the Superintendent, and to field questions and concerns communicated through the Insurance Committee. The Insurance Advisory Committee's mission, activities and roles, membership, and requirements are defined within a charter, which was approved on September 29th, 2020.</p> <p>The Committee contains representatives from Human Resources, Benefits and Wellness, Purchasing, Financial Services, Insurance and Risk Services, General Counsel, and a representative from the District's actuary, Willis Towers Watson.</p>	<p>RSM obtained the Insurance Advisory Committee's charter and reviewed the mission, activities, roles, membership, and requirements. The charter contained signatures of all members, including representation from Human Resources, Benefits and Wellness, Financial Services, Purchasing, Insurance and Risk Services, General Counsel, and the District's actuary. RSM also obtained meeting minutes, meeting invites, and meeting presentation content.</p> <p>This observation is closed.</p>	



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