

ACFI and HDIR Inspections

Internal Audit Report
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EXECUTIVE SUMMARY

Why We Did This Audit

This is a planned engagement derived from the annual audit risk assessment process.

The objectives were to:

- Determine the status and backlog of ACFI and HDIR work notifications.
- Determine whether work notifications are completed within established time frames.
- Determine that reported activities are supported by appropriate source documentation and reflect accurate information.

This audit was carried over from the approved 2017-2018 Annual Audit Plan.

What We Found

Our overall conclusion is that management should improve its monitoring controls of the ACFI and HDIR inspections process.

- The Fire, Health and Safety (FHS) department is not verifying that all ACFI inspection data and HDIR report information is uploaded to the WNA/SAP work notification system data.
- ACFI deficiencies are not always corrected within the established timeframe.
- The ACFI and WNA/SAP system access lists included inactive employees and inaccurate work locations for some current employees.
- A Purchase Order was issued to the WNA vendor after services were provided.
- The FHS department Standard Operating Procedures (SOP) are not current.
- The ACFI Database disclosed errors and omissions.
- The senior inspector, who sometimes serves as an area inspector, is the only person who

can perform a quality assessment of ACFI reports.

- HDIR reports (M9) have not been recorded in SAP since 2016.
- Work locations do not always know how to monitor/close work notifications in WNA/SAP.
- Information on the ACFI reports is not always accurate.

What We Recommended

- The ACFI Database and WNA/SAP work notification system should be reconciled.
- ACFI deficiencies should be corrected within established timeframes.
- The ACFI database and WNA system access lists should be reviewed periodically.
- A Purchase Order should be issued before services are provided.
- Department SOP's should contain current and important practices.
- The ACFI database should contain accurate and complete information.
- When the senior inspector is performing inspections, there should be a compensating control for quality assurance.
- HDIR Reports should be entered in the SAP system using the M9 work notification type and verified by FHS.
- FHS should develop a training program to assist work locations in monitoring and closing out work notifications in the WNA/SAP system.
- Information on the ACFI reports should be verified for accuracy.

This report has been discussed with management and they have prepared their response which follows.

BACKGROUND:

The Annual Comprehensive Facility Inspection (ACFI) is required by Florida Statutes – 1013.12, Florida Safety Standards and Requirements for Educational and Ancillary Facilities and Plants- 69A-58, and other state and federal rules and regulations. The district’s Fire, Health and Safety Department (FHS) conducts the annual inspections and reports compliance to the Florida Department of Financial Services. Deficiencies noted are coded in a manner to assign responsibility for corrective action. The deficiency types are:

C = District Capital; F = Food Service; J = Janitorial; M = Maintenance and O = Operational (Work Location).

OCPS uses three systems to record and track ACFI inspections and follow-up on corrective actions. They are the ACFI database, which is maintained by a third party, the Work Notification Application (WNA) which is maintained by a different third party, and SAP, the district’s ERM system.

Deficiencies noted during inspections are communicated to those needed to correct them via WNA notifications. Certain deficiencies are corrected from these notifications while others may require additional action in which cases work orders are generated in SAP from the WNA notifications.

The Health Department Inspection Report (HDIR) is required by Florida Administrative Code – Chapter 64E-11 and Florida Statutes Chapters 381 and 386. Inspections are conducted by the Orange County Health Department, an external agency. HDIR inspections for cafeteria operations can occur several times during the school year. The Food and Nutrition Services (FNS) Department typically corrects violations noted at the time of inspection. HDIR violations that require a work order are supposed to be entered in the WNA/SAP system with a M9 code (Health Work Request).

During our annual risk assessment, we learned that there are hundreds of open work notifications. We generated reports from the SAP system on November 14, 2018 and noted 858 ACFI work notifications were

*ACFI – Annual
Comprehensive Facility
Inspection*

*Third party vendors
maintain the ACFI
database and the SAP
interface.*

*All deficiencies result in
WNA notifications and
certain deficiency
notifications result in
work orders.*

*HDIR – Health
Department Inspection
Report*

open as of July 1, 2017 and 2,048 ACFI work notifications were open as of September 30, 2018. The chart below indicates the number of open notifications at each day by notification type.

Notification Type	Open ACFI Notifications as of 7/1/17	Open ACFI Notifications as of 9/30/18
District Capital	16	107
Food Service	4	37
Janitorial	66	225
Maintenance	161	318
Operational	611	1,361
Total	858	2,048

Table 1: Open ACFI Notifications as of 7/1/17 and 9/30/18

Departments and work locations have made progress in reducing the number of open work notifications since September 30, 2018. As of the date of this report, 343 ACFI work notifications from July 1, 2017 remained open and 1,180 ACFI work notifications from September 30, 2018 remained open.

OBJECTIVES, SCOPE AND METHODOLOGY:

Objectives

The objectives of this audit were to:

- Determine the status and actual backlog of ACFI and HDIR work notifications.
- Determine whether work notifications are completed within established time frames.
- Determine that reported activities are supported by appropriate source documentation and reflect accurate information.

Open notifications at July 1, 2017 = 858.

Open notifications at September 30, 2018 = 2,048.

343 of 858 notifications from July 1, 2017 are still open. 1,180 of 2,048 notifications from September 30, 2018 are still open.

Scope

The scope included all ACFI and HDIR work notifications and work order transactions and activities open as of July 1, 2017 and during the period from that date through September 30, 2018.

Methodology

Our audit methodology included:

- Reviewing Department procedures on the Intranet
- Conducting interviews with Management
- Reviewing ACFI and WNA systems access lists
- Generating SAP Work Notification Reports for ACFI and HDIR
- Comparing a sample of ACFI Database deficiencies and HDIR violations with WNA/SAP work notifications data
- Contacting work locations to determine whether and how they are monitoring work notifications
- Reviewing Management reports

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors and included such procedures as deemed necessary to provide reasonable assurance regarding the audit objective. Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

We are required to note any material deficiencies in accordance with Florida Statutes, School Board Policy and sound business practices. We also offer suggestions to improve controls or operational efficiency and effectiveness.

Our scope included all ACFI and HDIR activities during the period from July 1, 2017 through September 30, 2018.

This audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

FINDINGS & RECOMMENDATIONS:

1) ACFI Inspection data was not always transferred to SAP. *High Risk*

Best Practice:

The ACFI Inspection process is as follows: An Area Inspector documents the inspection on a handheld device (iPad). After the inspection, the Senior Inspector conducts a quality review and then releases the data to be transferred to the WNA/SAP work notification system on a weekly basis. The inspection data must be transferred to the WNA/SAP work notification system to alert the work locations to take corrective action for deficiencies.

Audit Finding:

Our sample of ACFI Inspection Reports for 40 work locations disclosed the following:

- The deficiencies from six ACFI inspection reports were not successfully transferred to the WNA/SAP work notification system. We confirmed this finding with the Facilities Department Senior Business Analyst and the vendor. Under these conditions, the ACFI deficiencies for these work locations may not have been monitored for corrective action until the next scheduled annual inspection occurred.
- The deficiencies from five ACFI inspection reports were delayed in being transferred to the WNA/SAP work notification system. The delays ranged from a month to 4 months.
- Five (5) work notifications were still outstanding since either the corrective action had not been completed or the notifications were not properly closed out in the WNA/SAP system.

We were told that employees in the FHS Department do not have access to the SAP notification menu to ensure that ACFI data is successfully transferred to the WNA/SAP system. In addition, we learned from the vendor and the Information Technology Services (ITS) department that the ACFI to SAP interface was not always functioning properly during the period from February through August 2018.

Inspection data was not always transferred to the SAP work notification system.

Recommendation:

The FHS Department should request SAP notification access and then develop a procedure to conduct a reconciliation of the ACFI data with the WNA/SAP work notification system to ensure ACFI data is successfully transferred to the WNA/SAP system.

2) ACFI deficiencies were not corrected timely *High Risk*

Best Practice:

ACFI deficiencies should be corrected within the following established time frames:

- District Capital – 30 days to have a Plan of Correction
- Food Service – 3 days after Inspection Date
- Janitorial – 7 days after Inspection Date
- Maintenance – 90 days after Inspection Date
- Operational (Work Location) – 7 days after Inspection

Audit Finding:

We selected one deficiency from each of 40 work location inspection reports and noted that 17 of those deficiencies were not completed within established time frames. The following chart shows how many days each of these deficiencies was outstanding:

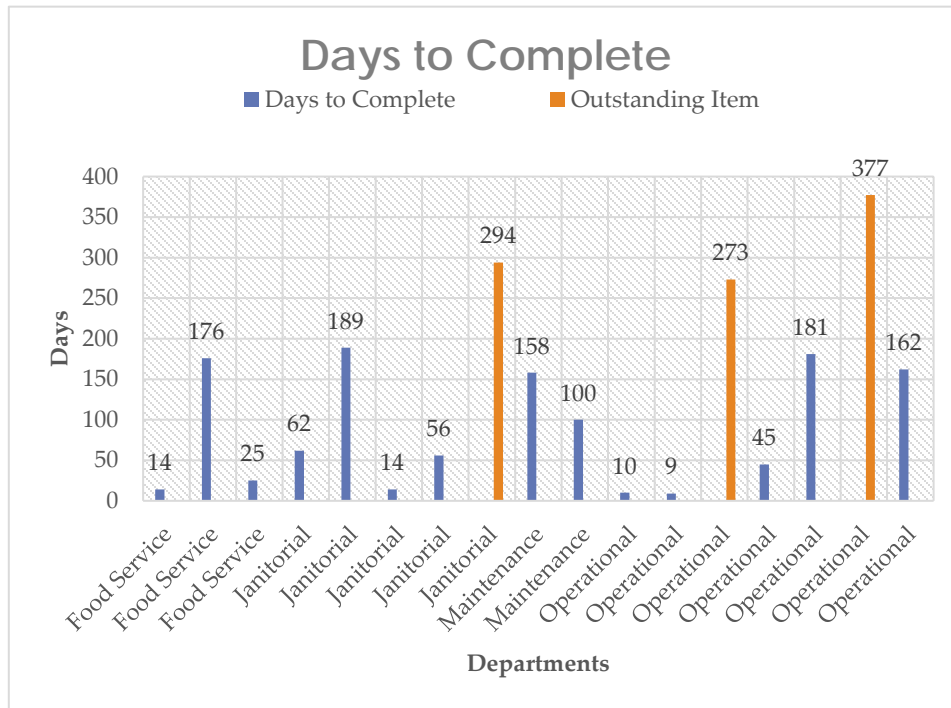


Chart 1: ACFI Deficiencies Not Corrected Within Established Time Frames

There are established time frames for correction of ACFI deficiencies.

ACFI deficiencies were not always corrected in a timely manner.

Some deficiencies are taking hundreds of days to correct.

Recommendation:

All relevant departments and work locations should review their current corrective action procedures and modify where necessary to ensure ACFI deficiencies are corrected and closed within established time frames.

3) ACFI & WNA System User Access List Inaccurate *High Risk*

Best Practice:

System user access lists should contain only active employees and authorized individuals.

Audit Finding:

The ACFI and WNA system user access lists disclosed inactive employees who still have access to these systems. We also noted inaccurate work locations for some current employees that had transferred to other work locations.

Recommendation:

The FHS Department and the Facilities Department should periodically review system user lists and change user status to inactive when employees no longer require access to the system to ensure that only current and authorized individuals are able to access them.

4) WNA Vendor Purchase Order Violation *High Risk*

Best Practice:

Management Directive A-5 states in part that Employees shall not obligate School Board funds, in any manner, without the issuance of a purchase order. After-the-fact contracts or purchase orders will not be processed.

Audit Finding:

During the planning phase of the audit engagement, we noted that the last Purchase Order issued to the WNA vendor was dated September 7, 2016 for the 2016/2017 school year. After we brought this to the attention of the Senior Business Analyst, a Purchase Order was issued December 21, 2018 for the 2017/2018 and 2018/2019 school years.

Systems user access lists contain inactive individuals and inaccurate work locations.

A violation of Management Directive A-5 occurred.

Recommendation:

The Facilities Department should review their current purchasing procedures and revise where necessary to comply with Management Directive A-5.

5) Fire, Health and Safety Department ACFI and HDIR Procedures are not current. *Moderate Risk*

Best Practice:

Standard Operating Procedures (SOP) should reflect current practices.

Audit Finding:

Although the FHS Department developed a Re-Inspection Process in 2017, other SOP's were not current. We noted procedures on the Department Intranet that were dated 2012 and 2013. We also noted that the procedures developed in 2017 were not implemented until the start of the 2018-2019 school year. More importantly, the procedures do not include a step to verify that all ACFI inspection deficiencies are transferred to the WNA/SAP work notification system (See Finding #1).

Recommendation:

The FHS Department should review and update their SOP to reflect current and important practices.

6) ACFI Database Report contain errors and omissions. *Moderate Risk*

Best Practice:

The ACFI database should contain accurate and complete information.

Audit Finding:

ACFI database report disclosed several errors and omissions.

- The Janitorial "J" deficiency explanation is missing from the Inspection cover page.
- Dates of Correction disclosed 1/1/1900 at times.
- Work Order numbers were missing the first digit.
- The same Work Order number appears for multiple deficiencies.
- The Food Service "F" deficiency completion timeframe was not accurate on the Inspection cover page.

Department SOP's are not current.

The ACFI database report contains errors/omissions.

Recommendation:

The FHS Department should contact the vendor to update the database or research other software products.

7) ACFI Database Segregation of Duties *High Risk*

Best Practice:

Segregation of duties supports good internal controls.

Audit Finding:

The Senior Area Inspector, who also acts as an Area Inspector, is the only individual permitted to conduct a Quality Assurance review of inspections in the ACFI database. As a result, the Senior Area Inspector reviews his own inspection reports and a compensating control has not been implemented.

Recommendation:

The FHS Department should contact the vendor to request additional quality assurance access roles for the database or research other software products that can provide this capability.

8) HDIR Inspection Report Violations *High Risk*

Best Practice:

HDIR Inspection report violations that are not corrected at the time of inspection should be entered in the SAP system as a M9 (Health Work Request) notification type for reporting and tracking purposes.

Audit Finding:

The HDIR Inspection Report violations that are not corrected at the time of inspection are not being entered in the SAP system as a M9 notification type but instead are being entered as a M1 (Work Request) or as a M5 (FNS Request) notification type. We generated a SAP report for HDIR M9 notification types and noted that the last entries were dated August through November 2016. The M9 notification type was created specifically for HDIR report violations and should be used to assist with accurate reporting and tracking of all HDIR inspection violations that are not corrected at the time of inspection. FHS

Segregation of duties needs improvement for effective internal controls.

HDIR violations are not being tracked with the proper notification type.

departmental procedures state that a review of the HDIR inspection report and its findings should be performed to verify that all information has been entered properly in SAP. This procedure is not being performed.

Recommendation:

The FHS and the FNS departments should coordinate their efforts to ensure all HDIR inspection violations that require work orders are entered in the correct category (M9) in SAP.

9) Many users of the ACFI and HDIR notification system do not know how to make changes in the system or perform other steps to maintain current and accurate records. *High Risk*

Best Practice:

End users should be trained on the ACFI and HDIR system. The training should be continuous and comprehensive. Each work location and school location should know how to access and manage the notification data for its site.

Audit Finding:

We contacted several work locations via email, phone calls and meetings and learned that the end users did not always know how to make changes in the WNA/SAP system, close-out notifications, or the proper procedures to request category designation changes.

Recommendation:

Develop and implement a continuous training program for all departments, schools and work locations.

10) Inaccurate information on ACFI Reports *Moderate Risk*

Best Practice:

Information on the ACFI reports should be verified for accuracy before uploading the report into the SAP work notification system.

FHS and FNS departments should coordinate efforts to ensure proper reporting of HDIR inspections.

Continuous training should be developed and implemented.

Audit Finding:

During our review of open and closed notifications, we found several items that were inaccurate. Some were recorded or cited incorrectly and some were assigned to the wrong department for correction.

- Sixty-five instances where a Repair Drinking Fountain deficiency was assigned to the wrong department (Janitorial instead of Maintenance).
- One instance where an Install Emergency Light deficiency was cited but the District Capital Department verified with photos that the emergency light already existed in that location.

Recommendation:

We recommend that the FHS inspectors enhance the ACFI quality review process to ensure that deficiencies on the ACFI report are accurate and assigned to the appropriate department for correction.

We wish to thank the staff and management of the Fire, Health and Safety and Facilities Departments for their cooperation and assistance during this audit.

*Inaccurate information
was included in ACFI
Reports*



Department / School Name	Safety and Emergency Management Office of Fire, Health and Safety Facilities Services Facilities Maintenance
Administrator / Department Head	Doug Tripp, Senior Director – Safety and Emergency Management Mike Winter, Senior Facilities Director - Maintenance
Cabinet Official / Area Superintendent	Roberto Pacheco, Chief Operations Officer John Morris, Chief Facilities Officer

Exception Noted (Finding / recommendation)	Management Response (Corrective Action)	Responsible Person (Name & Title)	Expected Outcome & Completion Date What is the evidence of the corrective action?
What is? What should be?	What needs to be done?	Who needs to do it?	When will the action be completed? (MM/YYYY)
ACFI Inspection data was not always transferred to SAP	Safety and Emergency Management (Office of Fire, Health and Safety) will request SAP notification access, and develop an appropriate reconciliation procedure for ACFI data within the WNA/SAP work notification system.	Senior Director Safety and Emergency Management Director Fire, Health and Safety	Development, approval and implementation of revised procedure by 08/2019.
ACFI deficiencies were not corrected timely	Safety and Emergency Management (Office of Fire, Health and Safety) will review and, as appropriate, revise escalation and re-inspection procedures to ensure accountability for corrective action by site administrators.	Senior Director Safety and Emergency Management Director	Development, approval and implementation of revised procedure by 08/2019.



	Facilities Services will reemphasize and review ACFI completion timelines and measuring tools with Maintenance and Custodial Services areas.	Fire, Health and Safety Director Facilities Maintenance Director Custodial Services	Dedicated staff will be assigned to track ACFI completions by 04/12/2019.
ACFI and WNA System User Access List Inaccurate.	Safety and Emergency Management (Office of Fire, Health and Safety) will develop an appropriate process and related procedure to review and update ACFI end user status.	Senior Director Safety and Emergency Management Director Fire, Health and Safety	Vendor has been contacted, and subsequently updated the end user list to ensure currency. Development, approval and implementation of procedure by 06/2019.
WNA Vendor Purchase Order Violation	Facilities Services (Facilities Maintenance O&M Manager) will refine current process and implement steps for staff to follow.	Senior Facilities Director Maintenance	Approval and implementation of revised process by 04/2019.
Fire, Health and Safety Department ACFI and HDIR Procedures are not current	Safety and Emergency Management (Office of Fire, Health and Safety) will review and, as appropriate, update all Office of Fire, Health and Safety procedures to align with current practices.	Senior Director Safety and Emergency Management Director Fire, Health and Safety	Development, approval and implementation of new and revised procedures by 01/2020.



<p>ACFI Database Report contain errors and omissions</p>	<p>Safety and Emergency Management (Office of Fire, Health and Safety) has submitted a business case to replace the current end of life inspection software.</p> <p>Safety and Emergency Management (Office of Fire, Health and Safety) has requested current software vendor make appropriate modifications to address observed deficiencies.</p>	<p>Senior Director Safety and Emergency Management</p> <p>Director Fire, Health and Safety</p> <p>Senior Director Safety and Emergency Management</p> <p>Director Fire, Health and Safety</p>	<p>If approved, new inspection software will be acquired and launched by 06/2020.</p> <p>Denoted modifications to existing software to be implemented by 06/2019.</p>
<p>ACFI Database Segregation of Duties</p>	<p>Safety and Emergency Management (Office of Fire, Health and Safety) will develop an appropriate procedure ensuring that the Director - Fire, Health and Safety reviews and approves all inspection reports.</p>	<p>Senior Director Safety and Emergency Management</p> <p>Director Fire, Health and Safety</p>	<p>Development, approval and implementation of new procedure by 08/2019.</p> <p>If approved, new inspection software with appropriate segregation of duties function will be acquired and launched by 01/2020.</p>
<p>HDIR Inspection Report Violations</p>	<p>Safety and Emergency Management (Office of Fire, Health and Safety) will develop an appropriate procedure ensuring that roles and responsibilities for HDIR reporting are clearly defined.</p>	<p>Senior Director Safety and Emergency Management</p> <p>Director Fire, Health and Safety</p>	<p>Development, approval and implementation of new procedure by 08/2019.</p>



	Safety and Emergency Management (Office of Fire, Health and Safety) will develop an appropriate training resource for FNS and site administrators to ensure the appropriate categorization of HDIR deficiencies.	Senior Director Safety and Emergency Management Director Fire, Health and Safety	Development, approval and implementation of new training resource by 08/2019.
Many users of the ACFI and HDIR notification system do not know how to make changes in the system or perform other steps to maintain current and accurate records	Safety and Emergency Management (Office of Fire, Health and Safety) will update the customer instructions, and provide such to all end users.	Senior Director Safety and Emergency Management Director Fire, Health and Safety	Development, approval and implementation of new customer instructions by 08/2019.
Inaccurate information on ACFI Reports	Safety and Emergency Management (Office of Fire, Health and Safety) will develop an appropriate procedure ensuring that the Director - Fire, Health and Safety reviews and approves all inspection reports. Safety and Emergency Management (Office of Fire, Health and Safety) will implement a QA/QC training program for inspection staff.	Senior Director Safety and Emergency Management Director Fire, Health and Safety Senior Director Safety and Emergency Management Director Fire, Health and Safety	Development, approval and implementation of new procedure by 08/2019. Development, approval and implementation of new inspection staff QA/QC training resource by 08/2019.