Tucson Unified
SCHOOL DISTRICT

TUSD   TRANSPORTATION   DEPARTMENT
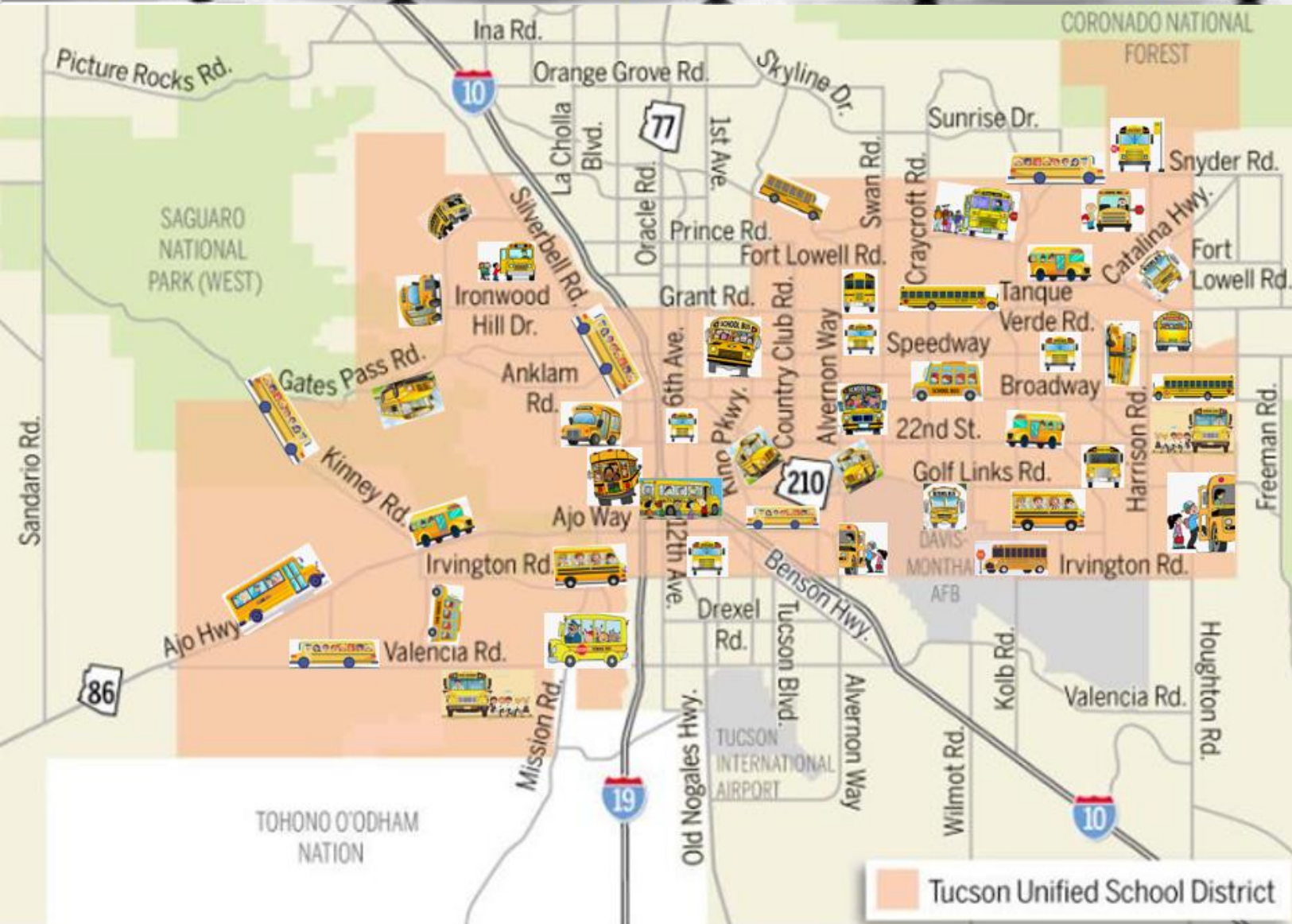

Internal Audit Report: Transportation Department

REPORT #: 006-FY: 2021-2022

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EXECUTIVE SUMMARY

The Office of Internal Audit (OIA) has completed the compliance internal audit of the Transportation Department (TD) of the Tucson Unified School District (District).

The mission of the department, as stated in their Transportation Employee Manual, is to "...provide a *Safe, Timely, and Efficient* service for students, parents and staff of the District."[1]

TD is responsible for home-to-school and school-to-home transportation for regular program students and special program students. Transportation is also responsible for student transportation for summer programs, school activities, educational field trips, and extracurricular activity trips for all schools. Additionally, the department is responsible for maintaining the District's school buses and general service vehicles (white fleet).

The TD department is a subsection of the District's Operations Division, led by the Chief Operating Officer (COO); the overall supervision of the subsection is managed by the TD Director, who relies on its site managers to manage the daily operations of the sites.

The primary objective of this audit was to determine the TD's compliance with district policies, State and Federal standards and regulations.

The audit scope encompassed activities from July 1, 2020, through March 31, 2022.

The audit objectives were accomplished by conducting the following:
- Interviewing the department's Director, Managers, and selected staff.
- Reviewing the department's manuals and guides.
- Observing the overall departmental processes and procedures.
- Evaluating internal controls to detect areas for improvement and potential risks.
- Verifying reimbursements (physically/electronically) to parents for miles driven.
- Cross referencing activities and data with applicable criteria.
- Evaluating activities and segregation of duties.
- Observing sites for safeguarding of assets.
- Reviewing activities for due diligence and stewardship of assets.
- Verifying fling records, content, requirements, and retention timelines.

Excluded from this audit were: mechanic's bus shop, supervisor files, fuel usage, white fleet vehicles, and detailed financial activates.

Conditions observed are listed below, in the order of their perceived risk:
1. INCONSISTENCY OF CONTENT BETWEEN REFERENCE MATERIALS: Inconsistencies were found between reference materials.
2. INSUFFICIENTLY FILLED SPECIAL EDUCATION SHEETS: Special education forms are not properly filled out.
3. COMMERCIAL DRIVER LICENSE (CDL) AND TRAINING: Variances in the content of Commercial Driver License folders and marginal documentation on CDL training.
4. INTEGRITY OF DATA: Inaccurate information contained in the "Signed Forms" worksheet.
5. PARENT MILEAGE REIMBURSEMENTS (PMRs): The department does not have written procedures or acceptable practices for processing parent mileage reimbursements (PMRs).
6. LACK OF COMMUNICATION: Minimal communication and corroboration between departments involved in the processing of PMRs.

7. MAINTENANCE AND ORGANIZATION OF SITE FOLDERS: There was not uniformity in content amongst the site-maintained folders.

8. BUSES CONDITION AND SPECIALIZED EQUIPMENT: Working environments and conditions were not consistent between sites.

9. CONSISTENCY OF SITE WORKING ENVIRONMENT: There was not uniformity in content amongst the site-maintained folders.

10. FIELD TRIPS: Deviation from disclosure form and undisclosed trip cancelation fees.

11. RECORD RETENTION: There was not uniformity in content amongst the site-maintained folders.

BACKGROUND

Tucson Unified School District (District) Transportation department's (TD) mission, as stated in the introduction section of their Transportation Employee Manual, "…is to provide a *Safe, Timely, and Efficient* service for the students, parents and staff of the District…"[1]

The TD department has three sites, strategically located in the East, West, and Central part of the city; all have designated buses and routes to best serve the community. Each site has a large, fenced parking lot, a fueling station, and mechanic shop, a driver's lounge, designated routing, and dispatch staff, supervisors, and a site manager. Routing manager and executive administration are located at the central site. The training program for bus driver certification is conducted at the West site.

Per the department's web page:

"Tucson Unified School District is committed to providing equitable and non-discriminatory transportation services.

We provide the safest mode of transportation to and from school for over 20,000 Tucson Unified students. We serve the largest school district in southern Arizona, with a fleet of over 300 buses that drive over 1,250 bus routes.

Our school buses travel over 24,000 miles each day, and over 4,300,000 miles annually, including regularly scheduled routes, field trips, athletics events, and special education routes.

The overall supervision of the TD is under the department's Director who oversees the operation and who reports to the Chief Operating Officer.

Our Training Program
We provide an outstanding, nationally and state recognized bus driver and bus monitor training program. Our program features over 80 classroom hours and more than 20 behind-the-wheel hours."[2]

Each of the TD sites, has on average, over 100 school buses parked in their site lot. However, not all buses at each site are eligible to be placed into daily school routing schedules due to mechanical issues, pending GPS installations, or being designated as a substitute/back-up bus.

At the time of this audit, the sum total of buses from all three transportations sites were 308; the total number of certified bus drivers were 153, and the average number of routes were 252, including hub stops.

Most of the TD's processes, guidelines, procedures, strategies, rules, and practices are delineated in their five different reference materials.
- TUSD Transportations Employee Manual
- TUSD Transportation Routing Guidelines Procedures, and Strategies
- TUSD Transportation Eligibility -*Business Rules for Transportation Eligibility*-
- Transportation Employee's Handbook.
- Tucson Unified School District -Memorandum of Understanding for Blue Collar Employees, agreement with the American Federation of State, County, and Municipal Employees (AFSCME).

The above listed items contain overlapping content that covers basic topics such as introducing new drivers to the District, to more complex procedures such as the requirements to properly attend to the needs of an exceptional education students.

STATEMENT OF AUDITING STANDARDS

The TD is required to follow several governing standards, including but not limited to District polices, union agreements, state laws, and federal regulations, such as: the Arizona Department of Education, Arizona Public Safety, Arizona School Bus Minimum Standards, Arizona Department of Transportation (ADOT), applicable Arizona Revised Statutes (ARS), Arizona Administrative Code (AAC) by the State Board of Education, Federal Motor Carrier Safety Regulations (FMCSR). Federal Commercial Driver's License (CDL), Memorandum of Understanding (MOU) for Blue Collar Employees Agreement with AFSCME.

A combination of the department's manuals and the items listed in the statement of auditing standards were used as the criteria for this audit. Acceptable business standards, also known as common practices, were used as the measuring criteria for activities in which no direct and/or specific written standards were found.

Audit Due Professional Care and Inherent Risk

Audits are designed to add value; this can be done with participation and collaboration from all levels of management.

All audits contain an element of inherent risk; this is a limitation with countless reasons. Audits can only evaluate, analyze, and develop conclusions and recommendations on accessed District's internal data, applicable records, and collaboration from management and leadership.

Due Professional Care implies reasonable care and competence, not infallibility.
Internal audits are conducted to provide management with reasonable –not absolute- assurance that the organization's objectives will be met.

AUDIT PURPOSE AND OBJECTIVES

The purpose of the TD's compliance audit was to determine overall adherence with the applicable policies and procedures related to: Student transportation, bus drivers and monitor's requirements for certification; processing of requested mileage reimbursements submitted by parents and safeguarding of assets.

The audit objectives were developed to assist internal audit in determining if the department's reviewed activities are following the established standards.

Objectives were accomplished by performing the following tasks:

1- Interviewing the department's Director, Managers, and selected staff.
2- Reviewing the department's manuals and guides.
3- Observing the overall departmental processes and procedures.
4- Evaluating internal controls to detect areas for improvement and potential risks.
5- Verifying data from parents for mileage reimbursements (physically/electronically).
6- Cross referencing activities and information with applicable criteria.
7- Evaluating activities and segregations of duties.

8- Observing sites for safeguarding of assets.

9- Reviewing activities for due diligence and stewardship of assets.

10- Verifying fling records, content, requirements, and retention timelines.

AUDIT SCOPE, METHODOLOGY, AND EXCLUSIONS

The audit scope was from July 1, 2020, through March 31, 2022.

The methodology used was based on the set of objectives being analyzed; this varied depending on the task, activity, function, and format of what was being tested. Random selection was used when conducting inspections of the buses, files, and other physical documents. Systematic sampling was implemented when retrieving electronic data from the iVisions system and provided worksheets.

Excluded from this internal audit were the transportation's mechanic shops, supervisory activities, such as evaluations and related activities, emergency bus evacuation drills, fuel usage, white fleet vehicles, transportation incident reports and investigations, and detailed financial activities.

Findings were communicated to the Director of TD and the Chief Operating Officer (COO) during the exit meeting; they agreed with the observations and accepted them as an opportunity for improvement.

Observations and recommendations were based on the variations found between the department's activities and the applicable standards. They have been listed below in the order of their perceived risk.

AUDIT OBSERVATIONS AND RECOMMENDATIONS

1. INCONSISTENCY OF CONTENT BETWEEN REFERENCE MATERIALS

   Condition: Inconsistencies were found between reference materials.

   Criteria: IIA Standard 2210.A3 – "Adequate criteria are needed to evaluate governance, risk management, and controls. Internal auditors must ascertain the extent to which management and/or the board has established adequate criteria to determine whether objectives and goals have been accomplished. If adequate, internal auditors must use such criteria in their evaluation…"[3]

   Effect: Referencing materials that are outdated, contain conflicting or incompatible information, are unreliable, and add no value to the department or its employees.

   Several of the reviewed reference materials were found to contain overlapping, duplicate, and inconsistencies between their content, such as:

   - The "Tucson Unified School District Transportation Employee Manual" with no date with 267 pages and the "Transportation Employee's Handbook" dated July 2018 with 63 pages.

   - Agreement form in the "Tucson Unified School District Transportation Routing Guidelines Procedures and Strategies, revised November 19, 2016, versus the form, by the same name, being sent to parents for PMRs.

3

- AFSCME Agreement -TUSD Memorandum of Understanding for Blue Collar Employees-Updated June 23, 2020, and the District Policy -EEB-R1.

Cause: Inconsistencies between referencing items may be caused by different factors, such as different employees and sites updating certain items, lack of communication and/or sharing of updates, not recording, and tracking changes performed on individual manuals and guides.

RECOMMENDATIONS:
- Ensure all existing items contain consistent, accurate, and relevant content.

Explore the advantage of working with Technology Services to create and maintain an electronic manual and guide that can be automatically updated as needed.

Managements Responses and Commitments:
- o This handbook is under revision for updates at the current time and it is scheduled to have updates completed and published by December 2022, after review of all Managers in Transportation.
- o A Separate training manual for CDL Drivers/Trainees is being updated and developed to be separate documentation and is scheduled for review by all Managers in Transportation by April 2023. This will include all new training requirements of the federal level – Map 21.

2. INSUFFICIENTLY FILLED SPECIAL EDUCATION SHEETS

Condition: Special education forms are not properly filled out.

Criteria: Tucson Unified School District Transportation Employee Manual -*Laws Affecting Transportation for Students with Disabilities*- "The Rehabilitation Act of 1973, states in part: —No otherwise qualified disabled individual in the United States shall, solely by reason of his handicap, be excluded from participating in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance....It is possible for a school district to be required to provide specialized transportation services to a student with disabilities who is not in special education."[4]

"Arizona Health Care Cost Containment System (AHCCCS) operations are funded substantially from federal, state, and county resources. AHCCCS is the agency that develops the policies and administers the Medicaid School-Based Claiming program through a third-party administrator (currently, the Public Consulting Group or PCG) and in collaboration with the Arizona Department of Education. AHCCCS is the only entity that may submit claims to the federal agency (Centers for Medicare and Medicaid Services or CMS) to receive federal financial reimbursement for allowable Medicaid costs."[5]

Effect: Bus drivers are required to fill in the special education forms, known as "bubble sheets," on a daily basis and submit them to a site supervisor. These forms are necessary for the district to substantiate requested reimbursements for services rendered. Note: The special education forms are processed and verified by a third party, PCG, who determine if they are "properly filled out."

Per conversations with staff and observed practices, the following could result in lost monies to the District:

Incomplete, incorrect, or partially filled forms.
    i. Random sheets were shown, by the staff, to illustrate the poorly filled forms; some were missing required initials, some had semi-filled bubbles, and/or were missing dates.
  b. Forms were misplaced, lost, or submitted past the deadline.
  c. Time consuming in tracking bus drivers to correct, update, and fill missing information.
    i. Sometimes verifications and corrections were not able to be done in a timely manner; this has resulted in forms being altered, modified, and/or reconstructed.

Cause: Worksheets are not being reviewed and verified at the time they are being submitted by the bus drivers.
Time allocation and limitations; bus drivers either do not, or are not, taking the necessary time to properly fill these worksheets between, during, or after their routes.

Recommendation:
- Establish a process to perform verification of worksheets when received.
- Reemphasize the importance of properly filled sheets.

Managements Responses and Commitments:
  o Transportation is working during summer 2022 to implement an electronic system via tablets installed on our busses to provide proper accounting of students, general and exceptional education status. This program is being tested during the month of June 2022 during summer school to provide further knowledge of challenges and successes during the testing phase. Transportation will provide training of all drivers and monitors at the start of school in-service scheduled on July 27, 2022 to provide consistent training and information and receive feedback from drivers and monitors during the implementation of this new electronic process.

3. COMMERCIAL DRIVER LICENSE (CDL) AND TRAINING DOCUMENTS

Condition: Variances in the content of Commercial Driver License folders and marginal documentation of training records.

Criteria: R13-13-102. Certification of School Bus Drivers -A—L- Delineates the lengthy list of processes and requirements for obtaining, retaining, and renewing a CDLs.

Refer to: Tile 17. Transportation: (2) – The employer shall maintain records of testing required under subsection (C') in accordance with 49 CFR 382.401, October 2006 (no later amendments or editions), published at the U.S. Government Printing Office, Superintendent of Documents.

Effect: CDL records are maintained by the TD administration office at the central site.
Ten randomly selected CDL folders were reviewed; the following were discovered:
  a. 5 contained additional documents not relevant to their CDL training.
  b. 3 did not contain records of continuing training.
  c. 1 was a new driver -site did not inform admin. of changed role- from monitor to driver.
  d. 2 had expired physical performance test with no updated copy.
  e. No individual folders were found containing a complete set of their training records.

     i.   The training site does not maintain training records for its trainees.

     ii.   Individual sites do not maintain records of bus driver's training.

Not maintaining consistency of records increases the possibility of documents being misplaced; this could result in penalties from the Department of Public Safety.

Cause: The training program for bus drivers was not systematically planned, it was given as a duty to the West site Manager. However, due to the shortage of bus drivers and the district's high need for CDL drivers, the program has evolved quickly.

Recommendation:
- Maintain consistency in centralize CDL files and ensure all required items are up to date.
- Create and maintain training files, at West site training location, and ensure all required document are in the trainees' files.
- Ensure that the program adheres to governing requirements and guidelines.

Managements Responses and Commitments:

o   Additional staffing are being hired to provide not only enhanced customer service within Transportation's phone bank, but also to provide designated primary and backup support to ensure all CDL /DPS files are current.

o   Training files to remain at West Transportation Facility as that is our primary location of training and training division will provide oversight to ensure required documentation is in trainee's files, as well as ensuring that training program adheres to all District, State and Federal Guidelines.

4. INTEGRITY OF DATA

Condition: Inaccurate information contained in the "Signed Forms" worksheet.

Criteria: GAO-20-283G: Assessing Data Reliability -*Defining Data Reliability in an Audit Environment*- "In an audit environment, reliability of date means that data are applicable for audit purpose and are sufficiently complete, and accurate.
...• Accuracy refers to the extent that recorded data reflect the actual underlying information."[6]

USFR -Accounting Procedures- Introduction- IX-1- "The information technology (IT) internal control guidelines presented in this section are provided to help school district officials and IT personnel develop and implement effective internal control for IT-based systems. These controls are intended to help provide reasonable assurance that the resulting data is accurate and reliable."[7]

Effect: The "Signed Forms" worksheet is used to record and track requests from parents for mileage reimbursements along with the tracking of a signed W-9 and a signed "Transportation Agreement with Parent(s)/ Guardians(s)" collected to initiate the process. This worksheet contains a hyperlink, that when clicked will display the attached form(s).

Ten entries were systematically selected from the "Signed Forms" worksheet managed by TD staff.

The following were observed:

a. Seven out of ten forms/Agreements were missing a signature of a district employee.

b. Four out of the ten records were marked as having both documents, but the hyperlink only had one, the Agreement, but no W-9's.

c. Two out of the ten records were marked as having both documents, but the hyperlink only had one, the W-9's, but no Agreement.

d. Collected documents for PMRs (W-9, Agreement, and Mileage Logs) were duplicated by interdepartmental staff and departments with overlapping activities creating additional records for the same transaction.

e. Inefficiencies and inconsistencies between worksheets, such as names on one but not on the other, same category cells were filled in one worksheet vs. left blanked, different dates, milage calculations, font sizes, colors, etc.

Using the interval method, twenty-five reimbursement payments were selected from over eight hundred identified PMR records in iVisions.

The following were observed:

a. 25 out of 25 transactions had no documents attached -mileage log, Agreement, W-9, etc.- to support the transaction performed, and also marked closed in the system.

b. 15 out of 25 did not have the W-9 marked as received.

c. Inefficiencies and inconsistencies between physical versus information in iVisions; the dates in the system do not match the month for which the reimbursement is being issued.

Cause: Lack of due diligence on collected vs. recorded data.
Manual processing with no data integration between systems.
Limited training, lack of written procedures and guidelines.

Recommendations:
- Train staff on the importance of due diligence, and how their actions, or lack thereof, affects the flow, integrity, and reliability of processes.

- Ensure the content of the "Signed Forms" worksheet is accurate by assigning different staff member(s) to verify entries and attachments in the worksheet.

- Work with Technology Services to eliminate manual processes wherever possible, and create data integration between applications as much as possible.

- In collaboration with the district's legal department, consider revising the "Transportation Agreement with Parent(s)/ Guardians(s)" -referred as "Agreement" from this point forward- to ensure it follows applicable district policies, includes quoted sentence(s), consistency of content with forms of same name, includes/discloses the governing regulation/statute listed on the document.

- Agreement forms should be signed by designated District approver.

Managements Responses and Commitments:
  o All agreement forms have been reviewed and signed by District /Transportation assigned approver as of June 10, 2022.

○ SOP's are being developed to ensure all processes, procedures and forms are understood and followed in a consistent manner. Anticipated completion and review of SOP's for publishing scheduled to be August 2022.

5. PARENT MILEAGE REIMBURSEMENTS (PMRS)

Condition: The department does not have written procedures or acceptable practices for processing parent mileage reimbursements (PMRs).

Criteria: District Policy -EEB -Business and Personal Transportation Services -*Support Services*-Administrative Requirements "The Superintendent shall establish criteria and procedures for the use of District vehicles. The criteria and procedures developed by the Superintendent shall place priority on the provision of student services and on assurance of student and employee safety.

Administrators shall be responsible for making certain that the use of school vehicles is not abused inside or outside the District. It is the responsibility of administrative personnel to assure that all travel has final approval from the District administration office. Use of private vehicles for school purposes must be approved in advance by the Superintendent."[8]

Effect: The lack of written processes and procedures for the processing of PMRs have resulted in the following:

- Inability to authenticate submitted PMRs (i.e., parent driven vs. bus transported).
- Limited to non-existing internal controls in the process.
- Staff with minimum knowledge, training, and guidance on processing PMRs.
- Lack of consistency for approving or declining received PMRs.
- Unstructured and undesignated approval process of PMRs.
- Inadequate refund process, internal controls, and fraud prevention.
- Ineffective and inefficient utilizations of resources and efforts.
- Convoluted methodology for recording, calculating, and verifying PMRs.
- Time-consuming, and complex manual tracking of PMRs.

Cause: No written departmental procedures addressing the processing of PMRs.
The department was unprepared to manage the unanticipated increased of PMRs.

Recommendation:
- Develop written procedures and guidelines for processing PMR's, including but not limited to, internal preventative measures to detect risk.

- Parents should not be classified as "vendors" in the iVisions system. The term vendor is being indiscriminately used when performing reimbursements, regardless of who the reimbursement is being issued too (i.e.: students, teachers, coaches, volunteers, employees, parents, etc.). The overuse of this term and the lack of adherence to its original established parameters, continues to create repeated discrepancies within iVisions, resulting in depleted data integrity.

Managements Responses and Commitments:
- **o** Work with all involved departments in development of SOP's, as well as Technology Services to develop as much of the process in electronic/automated processing as feasible. Anticipated completion date: August 2022.

6. LACK OF COMMUNICATION

Condition: Minimal communication and corroboration between departments involved in the processing of PMRs.

Criteria: Best practices, open communication between departments that perform or depend on a continuity of processes should delineate overlapping activities and tasks to minimize duplication of efforts, enhance time management, improve utilization and allocation of resources.

According to Microsoft Workplace - *Best Practices for cross-group collaboration-* "Collaboration across groups improves business performance by helping companies experience the benefits of scale, uncover new ideas, and improve engagement. Employees who break down silos through collaboration are better able to foster innovation and inclusion."[9]

Effect: The following observations were identified as having stemmed from not having adequate internal controls or communication between departments on similar and/or overlapping activities:
a. Continuity of process and general understanding of the reimbursement process is missing between the initial team gathering and recording the "Signed Forms" worksheet, interdepartmental staff calculating mileage, and supporting departments entering information and completing reimbursements in the system.
b. Duplication of efforts, interdepartmental staff and the other departments with overlapping duties maintain a worksheet with PMR related data; however, there is no centralized worksheet that is automatically updated and maintained to streamline the PMR process.

Manual processing of PMRs and the lack of integration between system creates a gap between the submitted PMRs and verifiable accuracy.

Cause: PMRs were offered prior to having adequate policies, procedures, and controls in place. Limited communication and collaboration between TD's staff and departments performing affiliated activities.

Recommendation:
- Create a written procedure, in collaboration with staff and relevant departments, to ensure it includes the necessary steps to process PMRs.
- Create consistency of content between all participating staff members and departments.

Managements Responses and Commitments:
- **o** Work with all involved departments in development of SOP's, as well as Technology Services to develop as much of the process in electronic/automated processing as feasible. Anticipated completion date: August 2022

7. MAINTENANCE AND ORGANIZATION OF SITE FOLDERS

Condition: There was not uniformity in content amongst the site-maintained folders.

Criteria: District Policy EEBD -Business Transportation Records and Reports- "Records and reports will be maintained as mandated by law or rules and as may be necessary to carry out transportation goals and objectives. The records shall be available for inspection by the Superintendent and other authorized officials."[10]

Effect: Folders and their content varied from site to site; thirty folders were randomly selected and reviewed the following were found:

   a. 16 folders contained expired items with no updated replacement documents.
   b. 18 had mixed content, from their training practice exams to unspecified sticky notes.
   c. 4 had content that should only be in their human resources folder.
   d. 2 had sensitive information written next to their name on the tile of the folder.
   e. 6 had unnecessary copies and duplicate of outdated items.
   f. 5 folders contained documents dating back to 1992.
   g. 11 did not contain verification of continuous training.
   h. 7 contained outdated physical performance tests.
   i. 1 folder contained miss-filed items that belong to a former employee.
   j. 3 folders were not able to be located during the review.
   k. Folders for active and inactive employees were mixed and maintained in the same filing drawer.

Cause: No common or required format for folder content. Some sites were not up to date on their filing -three months behind-; this resulted in missing and/or outdated items in the folders.

Recommendation:
- Consider creating a content list to be included in each folder and denoting the expiration date for each item.

Managements Responses and Commitments:
   o Content listing created and implemented for each CDL/DPS folder.
   o Manager/employee files are convenience copies that are held for Manager reference. The majority of these files are electronic generated originals and as such, Transportation is working to utilize electronic/Office 365 file management versus the current hard copies. Scanning of manager files is being started July 2022 and will continue through December 2022 as needed/until all files are electronic.
        ▪ TUSD Human Resources maintains the official employee files.

8. BUSES CONDITION AND SPECIALIZED EQUIPMENT

Condition: Identified conditions of buses, external or internal, were not readily reported to supervisors when they occur or when noticed.

Criteria: Policy EEB -Business and Personnel Transportation Services -*Support Services*- Accident Report "Any accident (no matter how minor) in a school vehicle or in any private vehicle while on school business is to be reported immediately to Risk Management and School Safety. School Safety will notify the "on call" risk management representative."[11]

Effect: During site visitations the following were observed:

Buses Conditions:

Three bus drivers out of six were observed parking and exiting the bus without performing the required "walk around."

    a. An incident was observed on a video presented by School Safety, in which the bus driver appeared to be aware of an unintended contact, but no incident report or written notification was filed. Additionally, the damage to the bus would have been noticed during a routine walk-around.

   Specialized Equipment: Ten buses were analyzed, and the following was found:

    a. One bus had a brittle and disintegrating First-Aid box.

    b. One First-Aid kit had no identifiable tape disclosing the date of its contents.

    c. One bus had a missing the Pouch of solidifier with chloring, commonly known as the "Z-pack" in its Body fluid Clean-up kit.

Cause: Bus conditions: Bus drivers may lack understanding and/or protocols.

Specialized Equipment: No scheduled and routine verification of specialized equipment.

Recommendation:

- Buses Condition:

    • During training and retraining classes, emphasize the importance of reporting incidents, and discoveries in a timely manner.

    • Establish a frequency schedule to perform random walk-arounds on existing buses to ensure proper condition.

- Specialized Equipment:

    • Establish and maintain a schedule for checking required specialized equipment in buses and their condition.

Managements Responses and Commitments:

    o Continue to provide scheduled refresher training for accident reporting processes during initial training, professional development days and in-services.

    o Managers to establish frequency schedules for inspections.

9. CONSISTENCY OF SITE WORKING ENVIRONMENT

Condition: Working environments and conditions were not consistent between sites.

Criteria: The Tucson Unified School District Transportation Employee Manual, and the other listed reference materials, are filled with lists of requirements and guidelines to maintain commonality of practices within the department.

Best practices, indicates that one of the purposes for having written policies, procedures, regulations, standards, guidelines, operating procedures, etc., is to create consistency of operations within an organization. Having a standardized working environment improves the overall performance, management, and leadership structure.

Effect: Lack of consistencies in working environments creates differences between site's working conditions, which may lead to unforeseen situations.

Some of the sites had:
   a. A designated team of bus drivers cleaning and disinfecting buses after each trip, versus each individual driver having to clean and disinfect their bus after each trip.
   b. Not all sites keep spare buses cleaned, maintained, and ready for use.
   c. Buses have their main entrance doors closed when not in use, versus other sites had the main doors of the buses left open.
   d. Clean and obstacle free parking lots, versus parking lots with miss-allocated and potentially hazardous items.
   e. New buses are not driven until all equipment (i.e., Global Positioning System (GPS) and tablets) are installed, versus sites in which new buses are driven prior to these items being installed.

Cause: Management has not ensured all sites follow a uniform operating practice.

Recommendation:
- Establish and implement consistent operating practices between sites.

Managements Responses and Commitments:
   o Establish SOP's for equivalent inspection and operating processes amongst all Transportation Facility locations. Anticipated completion date: December 2022

10. FIELD TRIPS

Condition: Deviation from disclosure form and undisclosed trip cancelation fees.

Criteria: Student Travel / Field Trip Authorization Checklist -FT1000A In County Student Travel/Field Trip Authorization -*Daily Trip Itinerary Form*-, reads, "If TUSD Transportation is required, this form should be forward to the Transportation Department after your trip is approved and at least 1 week before travel is set to occur."[12]

Effect: During site visitations, two last minute trips were scheduled, by two different sites by the routing department. Both requests required swift accommodations to ensure students did not miss out on the anticipated activities due to their site's inadequate planning. Accommodating and scheduling last minute trips results in non-compliance with the district's policy.

Performing last minute accommodations is conducive to repeated behavior from the same and/or other sites.

Sites were being verbally informed of a $75.00 trip cancellation fee if the scheduled trip was cancelled at the last minute; however, the fee was not disclosed on the trip scheduling application nor was the subjective term of "last minute" defined.

Note: As of the date of this audit report, both, the trip cancellation fee, and clarification of the "last minute," have been entered and are displayed in the trip scheduling application.

Cause: Permissible practices that enable sites to overcome their lack of planning and due diligence.

Recommendation:
- Adhere to the district's policies.

Managements Responses and Commitments:
- o *Disclosure inserted within Trip Tracker scheduling application that lists the following information on the home page:*
  - o *Max Passengers per Bus: 65 ES/55 MS/45 HS*
    W/C count: max 3/bus

    *** Field Trip buses available M,T,Th,F 9AM-1PM (Wed 9AM-12PM) or after 4:30PM ***

    Disclosure:
    Any cancellation, rescheduling, or modifications are to be done within 24 hours of the schedule date/time. You should notify dispatch in order to avoid a 75.00 surcharge.

11. RECORD RETENTION

    Condition: The department maintains multiple documents that deviate from applicable criteria.

    Criteria: General Records Retention Schedule Issued to: All State and Local Agencies – "Pursuant to ARS 41-151.12(3), only the Arizona State Library, Archives and Public Records has the authority to set retention periods, including the sole authority to modify, extend or decrease records retention periods. The retention periods listed herein are the required time records must be retained. Records should be promptly and orderly disposed of at the end of their retention period. Keeping records long than the retention period poses financial, legal, audit and investigative risk to the Agency. These risks need to be considered by State and Local Agencies when there is a compelling need to retain records for a longer period of time than approved retention period. Records required for ongoing or foreseeable official proceedings such as audits, investigations, or lawsuits, must be retained until released from such official proceedings, notwithstanding the instructions of this schedule."[13]

    Effect: Retaining records past their required date could potentially result in unforeseen liability.

    Cause: Unclear understanding of the applicable record retention timelines.

    Recommendation:
    - Comply with Arizona record retention requirements.
    - Create a summary of applicable record retention timelines and provide to site managers.

    Managements Responses and Commitments:
    - o Transportation will work with Risk Management to build a retention record database document for all files applicable to Transportation. Once retention record document is created, SOP and retention schedule will be created, reviewed and published on Transportation's internal SharePoint.

CONCLUSION

The Transpiration department audit was conducted to determine the department's compliance with applicable standards and regulations. The objectives were designed to assist with the evaluation of the department's overall operation, to determine adherence to set guidelines, internal controls, standard operating procedures, and processes. The objectives were achieved by performing walk-throughs, conducting interviews, reviewing department manuals, district policies, and applicable rules and regulations. A sample of items was selected and tested to obtain the findings listed in the body of this report. These observations are opportunities for improvement that will assist management in minimizing risks and enhancing the departments overall compliance.

Conducted audit can only provide reasonable assurance, never absolute.

The OIA findings are based on the review and analysis of the district policies, department's manual, handbook, standard operating procedures, applicable guidelines, and governing standards.

A follow up audit may be conducted within twelve months from the date of the final audit report.

ACKNOWLEDGMENT

The office of internal audit wishes to express its appreciation to the transportation's department staff, supervisors, managers, director, and chief operating officer for their dedication and commitment to their mission, and for their time and assistance during this audit, thank you.

Report No. 006 SY 2021-2022; scheduled to be provided to the Governing Board on June 28, 2022.

Martha Smith _ _6/28/2022_
Martha Smith   Date
Internal Auditor

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TRANSPORTATION ORGANIZATIONAL CHART 2021-2022

TUCSON UNIFIED SCHOOL DISTRICT

399 FTE

Transportation Director
Martha Zamora

Office Manager
Nicole Fisher
- Transp Payroll Technician
  1 FTE
- Phone Bank Service Specialist
  1 FTE
- Customer Service Specialist - Transp
  4 FTE
- Clerk Receptionist
  3 FTE

Computer Support Technician
1 FTE

Routing Manager
TBD
- Transportation Liaison
  3 FTE
- Routing Analyst
  4 FTE

Central Facilities Manager
William Olivas
- Supervisor
  Mike Mihina
  Frances Romero
  Joy Keesley Ogunc
- Dispatcher
  3 FTE
- Bus Drivers
- Bus Monitors

East Facilities Manager
Sara Pridgen
- Supervisor
  Kathy Riego
  Donna Montano
- Dispatcher
  2 FTE
- Bus Drivers
- Bus Monitors

West Facilities Manager
Monica Cruz
- Supervisor
  Sammy Terrazas
  Irma Morales
- Supervisors
  Driver Training
  First Aid CPR Training
  Stacy Murillo
  Tracey Myers
- Dispatcher
  2 FTE
- Bus Drivers
- Bus Monitors

Legend:
- Director
- Supervisory
- Staff

11/09/2021

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REFERENCES

1. Tucson Unified School District Transportation Employee Manual -Introduction - The Tucson Unified School District (TUSD) Department of Transportation's mission is to provide a Safe, Timely, and Efficient service for the students, parents and staff of the District. Every employee of the Department is assigned the goal to perform their job responsibilities with the Department's mission in mind. We also have a responsibility to the community as a whole. As employees, we are to conducting ourselves as professional at all times when representing the District." Tucson Unified School District Transportation Employee Manual -Introduction- (Pg. 4, no date).

2. Tucson Unified School District Transportation Department - *Web page-* "Tucson Unified School District is committed to providing equitable and non-discriminatory transportation services.

   We provide the safest mode of transportation to and from school for over 20,000 Tucson Unified students. We serve the largest school district in southern Arizona, with a fleet of over 300 buses that drive over 1,250 bus routes.

   Our school buses travel over 24,000 miles each day, and over 4,300,000 miles annually, including regularly scheduled routes, field trips, athletics events, and special education routes. The overall supervision of the TD is under the department's Director who oversees the operation and who reports to the Chief Operating Officer.

   Our Training Program

   We provide an outstanding, nationally and state recognized bus driver and bus monitor training program. Our program features over 80 classroom hours and more than 20 behind-the-wheel hours." http://www.tusd1.org/Departments/Transportation

3. Institute of Internal Auditors (IIA) Standard 2210.A3 – "Adequate criteria are needed to evaluate governance, risk management, and controls. Internal auditors must ascertain the extent to which management and/or the board has established adequate criteria to determine whether objectives and goals have been accomplished. If adequate, internal auditors must use such criteria in their evaluation. If inadequate, internal auditors must identify appropriate evaluation criteria through discussion with management and/or the board. Interpretation: Type of criteria may include • Internal (e.g., policies and procedures of the organization). • External (e.g., laws and regulations imposed by statutory bodies). • Leading practices (e.g., industry and professional guidance)." https://na.theiia.org/standards-guidance/Member%20Documents/IG2310-2016-12.pdf

4. TUSD Transportation Employee Manual - *Laws Affecting Transportation for Students with Disabilities-* "The Rehabilitation Act of 1973, states in part: —No otherwise qualified disabled individual in the United States shall, solely by reason of his handicap, be excluded from participating in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.‖ In general terms, Section 504 of P.L. 93-112(1), a part of the Rehabilitation Act of 1973, —requires that all students with disabilities (regardless of age) are eligible for a free, appropriate public education.‖ It also requires the facility, services and activities provided to the disabled be comparable with those

provided to the nondisabled, and that students with disabilities must have an equal opportunity for participation in any nonacademic and extracurricular services and activities provided by a school district. It is possible for a school district to be required to provide specialized transportation services to a student with disabilities who is not in special education." TUSD Transportation Employee Manual (Page 240). Tucson Unified School District Transportation Employee Manual -Introduction- (Pg. 240, no date).

5. Arizona Health Care Cost Containment System (AHCCCS) operations are funded substantially from federal, state, and county resources. AHCCCS is the agency that develops the policies and administers the Medicaid School-Based Claiming program through a third-party administrator (currently, the Public Consulting Group or PCG) and in collaboration with the Arizona Department of Education. AHCCCS is the only entity that may submit claims to the federal agency (Centers for Medicare and Medicaid Services or CMS) to receive federal financial reimbursement for allowable Medicaid costs. https://www.azed.gov/specialeducation/medicaid-school-based-claiming/faq

6. GAO-20-283G: Assessing Data Reliability - *Defining Data Reliability in an Audit Environment-* "In an audit environment, reliability of date means that data are applicable for audit purpose and are sufficiently complete, and accurate.

   - Applicability for audit purpose refers to whether the data, as collected, are valid measures of the underlying concepts being addressed in the audit's research objectives.
   - Completeness refers to the extent to which relevant data records and fields are present and sufficiently populated.
   - Accuracy refers to the extent that recorded data reflect the actual underlying information." United States Government Accountability office (GAO) December 2019, (Page4). https://www.gao.gov/assets/gao-20-283g.pdf

7. Uniform System of Financial Records (USFR) - Accounting Procedures- Introduction- IX-1- "The information technology (IT) internal control guidelines presented in this section are provided to help school district officials and IT personnel develop and implement effective internal control for IT-based systems. These controls are intended to help provide reasonable assurance that the resulting data is accurate and reliable." https://www.gao.gov

8. District Policy - EEB -Business and Personal Transportation Services -*Support Services-* Administrative Requirements "The Superintendent shall establish criteria and procedures for the use of District vehicles. The criteria and procedures developed by the Superintendent shall place priority on the provision of student services and on assurance of student and employee safety. https://govboard.tusd1.org/Policies-and-Regulations/Policy-Code-EEB

9. Microsoft Workplace - *Best Practices for cross-group collaboration-* "Collaboration across groups improves business performance by helping companies experience the benefits of scale, uncover new ideas, and improve engagement. Employees who break down silos through collaboration are better able to foster innovation and inclusion." 04/14/22- https://docs.microsoft.com/en-us/viva/insights/tutorials/gm-cgcollaboration

10. District Policy EEBD - Business Transportation Records and Reports- "Records and reports will be maintained as mandated by law or rules and as may be necessary to carry out

transportation goals and objectives. The records shall be available for inspection by the Superintendent and other authorized officials." https://govboard.tusd1.org/Policies-and-Regulations/Policy-Code-EEBD

11. District Policy EEB - Business and Personnel Transportation Services -*Support Services*- Accident Report "Any accident (no matter how minor) in a school vehicle or in any private vehicle while on school business is to be reported immediately to Risk Management and School Safety. School Safety will notify the "on call" risk management representative." https://govboard.tusd1.org/Policies-and-Regulations/Policy-Code-EEB

12. Student Travel / Field Trip Authorization Checklist - FT100A In County Student Travel/Field Trip Authorization -*Daily Trip Itinerary Form*-, reads, "If TUSD Transportation is required, this form should be forward to the Transportation Department after your trip is approved and at least 1 week before travel is set to occur." http://www.tusd1.org/Portals/TUSD1/District/docs/TUSDforms/FT1000APacket.pdf

13. General Records Retention Schedule Issued to: *All State and Local Agencies* – "Pursuant to ARS 41-151.12(3), only the Arizona State Library, Archives and Public Records has the authority to set retention periods, including the sole authority to modify, extend or decrease records retention periods. The retention periods listed herein are the required time records must be retained. Records should be promptly and orderly disposed of at the end of their retention period. Keeping records long than the retention period poses financial, legal, audit and investigative risk to the Agency. These risks need to be considered by State and Local Agencies when there is a compelling need to retain records for a longer period of time than approved retention period. Records required for ongoing or foreseeable official proceedings such as audits, investigations or lawsuits, must be retained until released from such official proceedings, notwithstanding the instructions of this schedule." https://apps.azlibrary.gov/records/general.aspx

GLOSSARY

Best Practice - "A procedure that has been shown by research and experience to produce optimal results and that is established or proposed as a standard suitable for widespread adoption." Defined by Merriam Webster

Cause - Defined by Standard 6.25 in GAS: "The cause is the factor or factors responsible for the difference between the condition and the criteria and may also serve as a basis for recommendations for corrective actions. Common factors include poorly designed policies, procedures, or criteria; inconsistent, incomplete, or incorrect implementation; or factors beyond the control of program management. Auditors may assess whether the evidence provides a reasonable and convincing argument for why the stated cause is the key factor contributing to the difference between the condition and the criteria." https://www.gao.gov/assets/gao-21-368g.pdf

Criteria - Defined by Standard 6.25 in GAS: "Criteria: For inclusion in findings, criteria may include the laws, regulations, contracts, grant agreements, standards, measures, expected performance, defined business practices, and benchmarks against which performance is compared or evaluated. Criteria identify the required or desired state or expectation with respect to the program or operation. Criteria provide a context for evaluating evidence and understanding the findings, conclusions, and recommendations in the report. In a financial audit, the applicable financial reporting framework, such as generally accepted accounting principles, represents one set of criteria." https://www.gao.gov/assets/gao-21-368g.pdf

Contract - Defined by Arizona state legislature: "means all types of state agreements, regardless of what they may be called, for the procurement of materials, services, construction, construction services or the disposal of materials."
https://www.azleg.gov/viewdocument/?docName=https://www.azleg.gov/ars/41/02503.htm

Control - The Institute of Internal Auditors (IIA) defines control as "any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goal will be achieved." https://global.theiia.org

Cost Benefit Analysis – "It is a process used to make decisions. It takes into account both quantitative and qualitative factors for analysis of the value for money for a particular project or investment opportunity. Benefits to costs ratio and other indicators are used to conduct such analyses. The objective is to ascertain the soundness of any investment opportunity and provide a basis for making comparisons with other such proposals." https://economictimes.indiatimes.com/definition/cost-benefit-analysis

Due Diligence – "Due diligence is the process of obtaining and reviewing documentation to verify that the procuring entity procured contracts pursuant to the School District Procurement Rules and determining that the contract price and terms are favorable to the district to receive the best value for the good or service desired.

Whether administering or purchasing from a cooperative purchasing agreement, districts are responsible for ensuring that procurements are done in accordance with School District Procurement Rules." Defined by HG Legal Resources https://www.hg.org/legal-articles/what-is-the-relevance-of-industry-standards-under-the-law-36794

Effect - Defined by Standard 6.28in GAS: or potential effect: "The effect or potential effect is the outcome or consequence resulting from the difference between the condition and the criteria. When the audit objectives include identifying the actual or potential consequences of a condition that varies (either positively or negatively) from the criteria identified in the audit, effect is a measure of those consequences. Effect or potential effect may be used to demonstrate the need for corrective action in response to identified problems or relevant risks." https://www.gao.gov/assets/gao-21-368g.pdf

Generally Accepted Government Auditing Standards (GAGAS): Also known as the Yellow Book, are "the guidelines for audits created by the Comptroller General and the audit agency of the United States Congress, the Government Accountability Office." https://www.gao.gov/yellowbook/overview

Industry Standard – "Is the average by which those in a particular field govern themselves. It is the ordinary manner of doing things in that field and can serve to establish different things in various legal settings." Defined by HG Legal Resources https://www.hg.org/legal-articles/what-is-the-relevance-of-industry-standards-under-the-law-36794

Internal Auditing – IIA's definition "Internal auditing is an independent, objective, assurance and consulting activity designed to add value and improve an organization's operations. At its simplest, internal audit involves identifying the risks that could keep an organization from achieving its goals, making sure the organization's leaders know about these risks, and proactively recommending improvements to help reduce the risks." Additionally, "Internal auditors are explorers, analysts, problem-solvers, reporters, and trusted advisors. They bring objectivity and a variety of skills and expertise to the organization." https://global.theiia.org/about/about-internal-auditing/pages/about-internal-auditing.aspx

Internal Control – "A plan of organization under which employees' duties are arranged, and records and procedures are designed, to make it possible to exercise effective control over processes. Internal control procedures which call for proper authorizations by designated officials for all actions performed that must be specified and followed." https://global.theiia.org

Market Basket – "A market basket or commodity bundle is a fixed list of items, in given proportions. It's most common use is to track the progress of inflation in an economy or specific market. That is, to measure the changes in the value of money over time. A market basket is also used with the theory of purchasing price parity to measure the value of money in different places." https://en.wikipedia.org/wiki/Market_basket

Organizational Chart – "Organizational charts are the presentation of reporting relationships and employee roles in an enterprise. A well-structured organizational structure would help improve productivity, but a poor organizational structure can weak the organization." https://www.orgcharting.com/poor-organizational-structure/

Program Budgeting — "Program budgeting requires combining planning objectives with the budgeting process. Budgets are prepared at the program level and then merged to build a budget at the department or school level. These budgets are then combined to establish a district budget." https://www.azauditor.gov/sites/default/files/USFR21122.pdf

Tangible Personal Property: "The personal property which may be seen, weighed, measured, felt or touched or is in any other manner perceptible to the senses. (A.R.S. § 42-5061(17))." https://azdor.gov

W-9 – Arizona Department of Administration -General Accounting Office (GAO) "… While the Federal Form W-9 satisfies tax reporting and withholding responsibilities, only the GAO-W-9 both satisfies tax-related responsibilities and collects information necessary to comply with State fiscal reporting requirements. Because of its dual nature, the Form GAO-W-9 should be collected from all vendors to whom the State issues payments. Generally, vendors enter the State's automated systems by vendor self-entry though the Arizona Procurement Portal (APP). New or modified APP vendor entries are copied to AFIS each night. Adjunct to this process, a TIN-matching procedure is run that checks the legal name and Taxpayer Identification Number provided by the vendor against records maintained by the Internal Revenue Service. If there is a mismatch between the vendor-supplied information and the IRS' data, the GAO inactivates the vendor.… Vendors, also known as contractors, are those individuals and organizations that provide goods or services (and, if services, not under an arrangement that would categorize the provider as an employee) for an agreed upon price, often as a result of a competitive procurement process."
https://gao.az.gov/sites/default/files/4541%20Form%20W-9%20190610.pdf