

**Contracts Audit Implementation Plan**

**Presentation to the Audit Committee on 3/2/2022 @ 4:00**

2020 Contracts Audit Recommendations				Status		
#	Abbreviated Recommendation	Response	Responsible Administrator / Manager	Status:	OIPA Comments	District Response:
1	1. Re-evaluate internal controls to ensure all District staff who manage or work with contracts complete the mandatory contracting training course prior to the established deadline.	Agree	Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA
2	2. Maximize the benefit of the training course, by requiring the training course applicable for the contract term, to be completed by the required staff prior to initiating the contract.	Agree	Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA
2 a)	Consider changing the deadline for the required training course to August 1st of the applicable year.	Partly Agree	Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA
3	Develop and implement internal controls that will ensure a thorough and robust review and evaluation of the contracts performance is completed and documented prior to deciding whether or not a similar contract should be negotiated in the future	Agree	Instructional Leadership, RESJ leadership	Completed	Please provide a copy of the completed contract performance evaluation for of the following contracts for the 2022-23 school year (the performance evaluation would be for the 2021-2022 contract) 1. Open School 2. Self Enhancement 3. Latino Network	
3 a)	Update the contracting training course to include additional guidance and expectations related to review and evaluations	Agree	Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA

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3 b)	Utilize the content of the Board Cover Memo to create a template for Contract Managers to document the review and evaluation for all contracts.	Agree	Jonathan	On Target		The District is working collaboratively with impacted departments to establish a detailed process and set of templates for contract managers to complete that will detail clear deliverables, rationale, evaluation and supervisor approval (e.g. Board Cover Memo). The focus for the spring and early summer will be on clearly establishing and communicating processes and building capacity for contract managers and supervisors through training. Implementation will begin July 1, 2023.
3 c)	Require the review and evaluation be reviewed and approved by the Contract Manager's supervisor and submitted to the P&C Department for record keeping.	Partly Agree	<b>RESJ Leadership &amp; Instructional Leadership</b>	On Target	OIPA Note/Question: A review and evaluation of a contract's performance was required at the time we did the audit, however our testing showed they were not being completed as required. The intent of the recommendation was to add a layer of accountability (by requiring the supervisors approval) to ensure the review and evaluation of a contract's performance is completed, as required, before contracting for the services again.  Please provide a narrative response to how the district ensures the required review and evaluation is completed before contracting for the services again.	In the aforementioned process and required templates, the District will ensure there is clear approval from the contract manager's supervisor. Internal controls will include a monthly summary report provided to the Office of the Superintendent to monitor fidelity of implementation
3 d)	d) Increase transparency by saving all review and evaluations in a central and accessible location so they can be easily accessed and reviewed by stakeholders	Partly Agree	<b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	On Target	OIPA Note: Not requesting anything at this time. We may have a follow-up question depending on the District's response to some of the other recommendations above.	Within Purchasing & Contracting, this is complete. PPS has implemented Cobblestone, which allows users to add reviews and evaluations and other docs to the central contract file, and Purchasing & Contracting instructs people in Cobblestone trainings as well as the annual contracting

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4	Develop and implement internal controls that will ensure all contracts include appropriate and specific deliverables, performance measures, expected outcomes, how the performance of the contract will be measured, and reporting requirements tailored to the particular contract.	Agree	Instructional Leadership & RESJ leadership	Completed	<p>OIPA Background Info:  Personal service contracts should include appropriate and specific deliverables, performance measures, expected outcomes, how the performance of the contract will be measured, and reporting requirements tailored to the particular contract. This was required at the time we did the audit, however our testing showed not all contracts included this content.</p> <p>The intent of the recommendation was to have the district develop and implement an internal control to ensure appropriate and specific deliverables, performance measures, expected outcomes, how the performance of the contract will be measured, and reporting requirements tailored to the particular contract. Recommendations 4a, 4b, and 4c were made to indicate ways the district could implement this recommendation.</p> <p>For example: when asked "how does the district ensure all personal service contracts include appropriate and specific deliverables, performance measures, expected outcomes, how the performance of the contract will be measured, and reporting requirements tailored to the particular contract?" The district could respond by saying: 1. We require the use of the Specialized SOW template that has required fields for inputting this content into the contract. (recommendation 4a) 2. We require the appropriateness of the specific deliverables, performance measures, expected outcomes, how the performance will be measured, and reporting requirements tailored to the particular contract be reviewed and approved by a qualified Educational Specialist who is not involved with the management of the contract. (recommendation 4b) and 3. We required the completed Specialized SOW template to be uploaded into Cobblestone so it is easily assessible to stakeholders.</p> <p>OIPA Request:</p>	
4 a)	Require the use of the Specialized SOW template	Agree	Emily Courtnage, Director of Purchasing & Contracting	Completed	See OIPA notes above related to recommendation 4.	

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4 b)	Require the appropriateness of the specific deliverables, performance measures, expected outcomes, how the performance will be measured, and reporting requirements tailored to the particular contract be reviewed and approved by a qualified Educational Specialist who is not involved with the management of the contract.	Partly Agree	<b>Jonathan Garcia</b>	<b>On Target</b>	See OIPA notes above related to recommendation 4.	As previously mentioned, the District is implementing internal controls that includes, but is not limited to, a monthly summary report provided to the Office of the Superintendent to monitor fidelity of implementation in FY2024.
4 c)	Increase transparency by saving the completed Specialized SOW template in a central and accessible location so they can be easily accessed and reviewed by stakeholders.	Agree	<b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	<b>Completed</b>	<b>Confirmed</b>	NA
5	Provide an update to the Board to communicate the District's phased implementation of the mandatory training requirements for contractors and the delay in full implementation.	Partly Agree	<b>Legal - Mary Kane</b>	<b>Completed</b>	OIPA Background Information: In a memo to the Board of Education (Board), dated October 29, 2019, District Management reported to the Board that all contracts with community partners who work with PPS students are required to complete the mandatory training modules, same as required of District staff. However our testing found contracts that should have included the mandatory training requirements did not include the requirement.  Per the member of the Office of General Counsel leading the district's implementation of this requirement, for the 2019-20 school year, they worked with individual Contract Managers to include mandatory training requirements in contracts that were managed centrally by District administrative staff. The mandatory training courses requirement would be required for all contractors and their employees who interact with PPS students in the 2020-21 school year.  OIPA Request:	
6	Develop and implement internal controls to ensure all mandatory training courses are included in all contracts that require interactions with students.	Partly Agree	<b>Legal - Mary Kane and Emily Courtnage, Director of Purchasing &amp; Contracting</b>	<b>Completed</b>	<b>Confirmed</b>	NA

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6 a)	District Management develop detailed guidance and expectations related to the mandatory training requirement for contracts that require contractors and their staff to interact with PPS students.	Partly Agree	<b>Legal - Mary Kane</b>	<b>Completed</b>	Confirmed	NA
6 b) 6 c)	The P&C department communicate the detailed guidance and expectations to Contract Managers throughout the District	Agree	<b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	<b>Completed</b>	Confirmed	NA
	Update the contracting training course to include guidance and expectations related to the inclusion of the mandatory training courses in applicable contracts; including if or when exceptions can be made and the process for obtaining an exception.	Agree	<b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	<b>Completed</b>	Confirmed	NA
6 d)	Establish a clear and mandatory channel of communication between the P&C department and Contract Managers (in addition to the annual contracting training course) to communicate and distribute guidance and expectation for Contract Managers on topics related to contracting	Disagree	<b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	<b>Completed</b>	NA	NA
7	7. Develop and implement internal controls to ensure the District obtains evidence that the contractors and their employees have completed the mandatory training course as required in the contract.	Agree	<b>Legal - Mary Kane and Emily Courtnage, Director of Purchasing &amp; Contracting</b>	<b>Completed</b>	Confirmed	NA
7 a)	Develop adequately detailed guidance and expectations and communicate that content with Contract Managers.	Agree	<b>Legal - Mary Kane and Emily Courtnage, Director of Purchasing &amp; Contracting</b>	<b>Completed</b>	Confirmed	NA

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7 b)	Include the list of mandatory training courses in applicable RFPs (or ITB).	Agree	<b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	<b>Completed</b>	<b>Confirmed</b>	NA
7 c)	Consult with the Office of Technology & information Services (OTIS) to develop a streamlined process for the activation of the necessary PPS email addresses for the contractor and their staff to access the training courses in Pepper PD.	Agree	<b>Legal - Mary Kane</b>	<b>Completed</b>	<b>Confirmed</b>	NA
8	8. Develop and implement internal controls that will ensure: • Evidence of deliverables identified in the SOW are achieved/delivered, and • Reports obtained by the District as evidence of deliverables include all required information, agree with District data, and all required reports are obtained (i.e. all four of the four reports are obtained).	Agree	<b>Instructional Leadership &amp; RESJ leadership</b>	<b>On Target</b>	OIPA Request: Please provide a narrative on how the district ensures: • Evidence of deliverables identified in the SOW are achieved/delivered, and • Reports obtained by the District as evidence of deliverables include all required information, agree with District data, and all required reports are obtained (i.e. all four of the four reports are obtained).	The District is working collaboratively with stakeholders to review and analyze current processes within departments to identify and scale best practices. After analysis is complete this spring and summer, any adjustments to internal controls will be scaled and implemented with a clear communication and training plan.
9	We also recommend the District management develop and implement internal controls that will ensure contract management responsibilities are being performed.	Agree	<b>Instructional Leadership &amp; RESJ leadership</b>	<b>On Target</b>	OIPA Request: Please provide a narrative on how the district ensures contract management responsibilities are being performed.	The evaluation of responsibilities will be included in the aforementioned analysis and potential revisions to internal control processes.
10	We recommend the District develop and implement internal controls that will ensure the District has received a signed ROI form prior to releasing any student information and continue to prioritize obtaining ROI forms, until a signed ROI form is obtained for each student.	Partly Agree	<b>Legal - Mary Kane</b> and potentially others	<b>Completed</b>	<b>Confirmed</b>	NA

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11	We recommend the District perform and document an analysis of the District's obligation to secure student information from unauthorized re-disclosure under FERPA laws.	Agree	Legal - Mary Kane	Completed	Confirmed	NA
11 a)	We recommend the District consider specifically addressing each of the examples identified in the finding in its analysis.	Agree	Legal - Mary Kane	Completed	Confirmed	NA
12	We recommend the District develop a clear criteria for determining when a signed ROI form is required.	Agree	Legal - Mary Kane	Completed	Confirmed	NA
13	Develop and implement internal controls that will ensure the consistent application of a signed ROI form in applicable contracts.	Agree	Legal - Mary Kane and Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA
				Completed	Confirmed	NA
13 a)	We recommend the District consider providing Contract Managers with training that will detail guidance and expectations to ensure they have an adequate understanding of the criteria for which a signed ROI form is required and the District's obligation to secure student information from unauthorized re-disclosure under FERPA laws.	Partly Agree	Legal - Mary Kane	Completed	Confirmed	NA

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14	We recommend the District review contract payment processes and procedures for process improvements and efficiencies to ensure payments to contractors are made timely as required in the contract. Additionally, we recommend the District document the date the invoice was received.	Agree	<b>Tracy Pinder, Director of Financial Services</b>	<b>Completed</b>	OIPA Request: Please provide a narrative on how the district ensure it takes advantage of contractors who offer discounts; how they are monitored; and how they are communicated with AP.	Some suppliers may offer an early payment discount. The discount is indicated on the invoice and the payment terms are entered in the supplier maintenance in the financial system. Contract managers are responsible for monitoring potential discounts and taking advantage of contractors who offer discounts.
15	We also recommend the District consider centralizing the receipt of contract invoices.	Partly Agree	<b>Tracy Pinder, Director of Financial Services</b>	<b>Completed</b>	Confirmed	NA
16	To ensure contract management responsibilities are being performed as expected, we recommend the District develop and communicate detailed guidance and expectation related to contract management responsibilities.	Partly Agree	<b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	<b>Completed</b>	Confirmed	NA
16 a)	a) Identify personal services contracts for student services as complex contracts and increase requirements for those contracts to include: o Develop an additional contract management training course that Contract Managers of complex contracts are required to complete prior to initiating the contract. o Require complex contracts include a contract administration plan (similar to that used by the State of Oregon) that is review and approved by the Contract Manager's supervisor and submitted to P&C for recordkeeping.	Partly Agree	<b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	<b>Completed</b>	Confirmed	NA



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17	Develop and communicate oversight of contract management responsibilities, including how performance of contract management responsibilities will be evaluated. To achieve this, we recommend the District consider updating position descriptions to include contract management responsibilities and include an evaluation of the performance of these responsibilities in the staff member's annual performance evaluation.	Partly Disagree	Jonathan Garcia	On Target	OIPA Request: Please provide a narrative describing how contract management responsibilities are evaluated by the contract manager's supervisor.	The evaluation of contract manager responsibilities will be included in the aforementioned analysis to internal control processes and revisions will be considered based on the analysis.
18	Prior to assigning a Contract Manager, supervisors of the proposed Contract Manager should evaluate the positions' other roles and responsibilities to ensure those assigned contract management responsibilities have adequate time to perform the contract management responsibilities while also performing the roles and responsibilities in their position descriptions	Partly Disagree	Instructional Leadership & RESJ leadership	Completed	OIPA Request: Please provide a narrative from the supervisor of a contract manager that describes the consideration/evaluation of the roles and responsibilities of the contract manager, that ensures those assigned contract management responsibilities have adequate time to perform the contract management responsibilities while also performing the roles and responsibilities in their position descriptions	
19	We recommend the District take additional steps to implement a comprehensive and systematic approach to improve performance management of personal service contracts. To achieve this we recommend the District consider scaling the District's comprehensive and systematic approach to improve performance management of personal service contracts identified by the District as RESJ partnership contracts to include all of the District's personal service contracts with educational partners.	Partly Agree	Instructional Leadership & RESJ leadership	Completed	Confirmed	NA

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20	To address the SoS audit's call for increased transparency and oversight for the District's contracts we recommend the District consider publicly posting the review and evaluation of contracts (via the Board Cover Memo) and the SOW for contracts listed on the Board agenda for Board approval. This could increase transparency in contracting decisions while still safeguarding the majority of the content related to contractor payments.	Partly Agree	Jonathan	On Target		