



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF INSPECTOR GENERAL

MAR 31 2003

**Control Number  
ED-OIG/A02-C0019**

Honorable Charles W. Turnbull  
Governor of the Virgin Islands  
No. 21 Kongens Gade  
Charlotte Amalie  
St. Thomas, Virgin Islands 00802

Dear Governor Turnbull:

This is our Final Audit Report entitled *The Virgin Islands Department of Education-St. Croix School District's Control of Equipment Inventory*. The objective of our audit was to determine whether the Virgin Islands Department of Education (VIDE-St. Croix) was appropriately controlling the equipment purchased with U.S. Department of Education (ED) funds. We found VIDE-St. Croix did not maintain adequate inventory and management controls over equipment purchased with ED funds and could not account for \$1,017,416 in equipment.

### **BACKGROUND**

The Virgin Islands Department of Education (VIDE) has had serious and recurring deficiencies in its administration of federally funded programs. As a result, ED's Office of Special Education and Rehabilitative Services (OSERS) designated VIDE a "high-risk" grantee and imposed special conditions on its fiscal year 1998 Special Education grant award. The special conditions required VIDE to provide ED with monthly reports on its efforts to come into compliance with Part B of its Individuals with Disabilities Education Act (IDEA) grant. When VIDE did not demonstrate significant progress, OSERS proposed to VIDE a voluntary compliance agreement. Signed on December 12, 1999, the compliance agreement was a means of ensuring a continued flow of Part B of IDEA funds while VIDE implemented a structured plan to come into compliance with the statute.

On September 23, 2002, ED entered into a new compliance agreement with the Virgin Islands (VI). The compliance agreement addresses four areas of crosscutting issues: (1) Program Planning, Design and Evaluation; (2) Financial Management; (3) Human Capital; and (4) Property Management and Procurement. Property management has been a concern because items purchased were not delivered to classrooms in a timely manner, if at all. Property cannot be effectively tracked and may remain in warehouses, be delivered to incorrect locations, or be stolen rather than benefiting students in classrooms.

The new compliance agreement establishes performance measures that VIDE must comply with to address the serious property management problems previously identified by ED. These include:

- a target date of June 30, 2003 to provide ED with an inventory policy and implementation plan of the inventory management system, as well as the completion of reasonable steps to secure all property, in warehouses, schools, and other locations from larcenous behavior or inappropriate or unauthorized use,
- a target date of December 30, 2004 to fully implement an inventory policy and system that includes all property purchased with Federal program funds be tagged, entered into a tracking system, and delivered to the appropriate location within three calendar days of receipt,
- the return of all unaccounted-for items to either their intended locations, or their full value reimbursed to ED by March 31, 2005,
- the inventory management system to reflect minimal losses due to theft by the end of the second year of the Compliance Agreement, and
- audits to show minimal unaccounted for equipment by the end of the Compliance Agreement.

The VI was in the process of implementing an inventory program named WinAssets. The program is designed to track personal property owned by the VI Government, identify and/or determine which items are accounted for, and simplify compliance with the inventory and reporting requirements of the VI Department of Property and Procurement. Additionally, the program captures information needed for reporting on assets acquired with Federal funds.

The VI Single Audits have continually reported both monetary and procedural property management findings. Monetary findings include lack of justification for non-competitive bid purchases, improper administration of competitive bids, and failure to obtain price quotes for procurements under \$5,000. Procedural findings include lack of information and/or documentation for equipment disposition, property management, and physical inventories.

## **AUDIT RESULTS**

VIDE-St. Croix could not account for \$1,017,416 in equipment.<sup>1</sup> This included \$725,928 of equipment missing from 16 locations we tested, and \$291,488 for 246 items unaccounted for that were purchased, but not listed on inventory records. In addition, at 15 of the 16 locations visited, we found other equipment that was not included in the inventory records. This occurred because VIDE-St. Croix did not maintain adequate inventory and management controls over equipment purchased with ED funds. Specifically,

- VIDE-St. Croix did not maintain adequate and consistent inventory records,
- VIDE-St. Croix's personnel lacked property management training, and
- VIDE-St. Croix did not perform physical inventories and reconcile results with property

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<sup>1</sup> At least 77 percent of the equipment was acquired with funds authorized by the Elementary and Secondary Education Act of 1965, as amended, and at least 11 percent with funds authorized by the Individuals with Disabilities Education Act of 1997. The remaining 12 percent could not be determined.

records.

According to 34 C.F.R. § 80.32 (d) (1)<sup>2</sup>

... Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, ... the location, use and condition of the property, and any ultimate disposition data ... (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated. (4) Adequate maintenance procedures must be developed to keep the property in good condition.

The VI Government's Property Manual, Chapter 3, § (1) (A) requires the Property Management Officer of each Department or Agency to conduct a complete physical inventory of all capitalized equipment at least once biennially for effective property accounting, utilization, and control; and § (2) requires that the results of the prescribed physical inventory of property shall be reconciled for inventory control purposes. Chapter 6, § (5) states that adequate storage facilities shall be provided to ensure the safeguarding of all Government Property.

VIDE-St. Croix had an inventory that was created and maintained by the Media Library Services Coordinator at the St. Croix Curriculum Center. Although the inventory spanned a period of 10 years, the inventory was not complete or totally accurate. Costs for individual items were not always reflected in the inventory records. Items purchased with Federal funds were not specifically tagged to identify the funding source. The Media Library Services Coordinator stated that VIDE-St. Croix's personnel lacked training in property management. He also stated that, because of a lack of personnel, they had neither gone to the schools to conduct physical inventories, nor reconciled the inventory with VIDE's accounting records.

### **Missing Equipment**

The VIDE-St. Croix's original inventory records had a total of 4,719 items purchased between January 1, 1997 and October 31, 2001 with total recorded costs of \$4,245,167 at 59 locations. The total recorded costs were understated because many pieces of equipment did not have associated costs. To perform our physical inventory, we selected 16 locations with purchases over \$100,000. While performing the inventory at the first three locations, we were unable to locate more than one-half of the items listed because the inventory data had not been recorded consistently. For example, the inventory for the Curriculum Center had been recorded as CC 208, 208 CC, and 208. As a result, we requested updated inventory lists of the 16 selected locations with all the data recorded consistently. After comparing the items listed in the updated records with the missing inventory of the three locations already visited, we noticed fewer discrepancies. As a result, we relied on the new records to perform the physical inventory at the remaining locations.

The updated inventory records of the 16 selected locations had 2,985 items (excluding non-Automated Data Processing (ADP) items valued under \$400) that had recorded costs of \$2,991,319. Of the 2,985 items listed, we were unable to find 641 items (21 percent).

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<sup>2</sup> Unless otherwise specified, all regulatory citations are to the July 1, 2000 volume.

The missing 641 items amounted to \$725,928 or 24 percent of the total recorded costs.

All 16 Locations	Quantity of Items	Quantity Percentage	Recorded Cost	Percentage of Recorded Cost
Items Not Found	641	21%	\$725,928	24%
Items Found	2,344	79%	\$2,265,391	76%
Total Items	2,985	100%	\$2,991,319	100%

The \$725,928 value of items not found was understated because 167 of the 641 missing pieces of equipment did not include associated costs. According to the Media Library Services Coordinator, VIDE–St. Croix did not always reflect costs for individual items because it was not required. (See **Attachment A** for inventory items found and not found by location).

### **Unaccounted For Equipment**

After comparing requisitions of equipment purchases with the original inventory created by the Media Library Services Coordinator, we found 16 requisitions that VIDE recorded as received but did not include in the inventory records. These requisitions included 246 items that cost \$291,488. Since the 246 items were not linked to specific locations, we classified them as unaccounted for.

### **Other Equipment Found, But Not Recorded**

At 15 of the 16 locations visited, we found 363 items that were not included in the inventory records. Because we could not associate the 363 items with specific requisitions, we were unable to determine whether these items were part of the 246 items referred to above. Of the 363 additional items found, a total of 59 (16 percent) were not in use and 15 (4 percent) were not at their original location. This unaccountability can be attributed to VIDE–St. Croix’s inconsistencies in record keeping.

### **Equipment Condition, Theft Reporting, and Record Keeping**

The equipment at 15 of the locations visited was in good condition. The exception was St. Croix Central High School, where 33 percent of the equipment was either damaged or unused, and stored in an unsuitable area. The equipment had been stored in a makeshift area in order to prevent theft or misappropriation until improvements were made to the infrastructure. (See **Attachment B** for pictures of the damaged and unused equipment).

Schools were required to notify the Media Library Services Coordinator at the Curriculum Center when thefts occurred. School officials from five of the locations visited (St. Croix Central High School, Arthur Richards Junior High School, Alfredo Andrews Elementary School, Ricardo Richards Elementary School, and Charles Emanuel Elementary School) indicated that thefts had occurred at the schools’ premises, but they did not provide us official reports of the equipment stolen and were not able to identify the serial or property number of the equipment

stolen. Moreover, they did not notify the Media Library Services Coordinator of the thefts.

Inventory records were also inaccurate because we found that schools did not maintain a log of computer equipment delivered to the Curriculum Center or a local merchant for repairs, or loaned to other schools and teachers. In addition, VIDE-St. Croix generally charged two different accounting codes for equipment purchases, accounting codes 95265 — Contracts to Independent Agencies — and 25625 — Machinery and Equipment. VIDE-St. Croix should be consistent when creating requisitions and inputting accounting codes so that management can more easily track equipment purchases.

### **Recommendations**

We recommend that the Assistant Secretaries for Elementary and Secondary Education and Special Education and Rehabilitative Services require VIDE-St. Croix to:

1. Account for all equipment or return to ED \$1,017,416 in missing or unaccounted for equipment;
2. Implement controls and procedures to ensure that its property management system is maintained with reliable and consistent information that complies with Federal and VI property management requirements and issue property tags that indicate the funding source;
3. Provide property management training to its personnel;
4. Perform physical inventories at all schools at least once every two years, requiring the Media Library Services Coordinator to reconcile the inventory results for each school with property records and original requisitions, and properly identify and maintain a list of all property purchased with Federal funds;
5. Maintain adequate storage facilities to keep property in good condition;
6. Maintain adequate records of stolen equipment, ensure that losses, damages, or thefts are investigated, and establish control logs of property removed from school premises; and
7. Account for equipment purchases consistently.

## **VIDE's response**

The report incorporates as **Attachment C** the comments VIDE provided in response to the draft audit report.

VIDE did not concur with Recommendation No. 1 because it ascertained that at least \$159,776 worth of the equipment unaccounted for was found by school authorities and was available for inspection. VIDE also questioned the basis upon which we made the determination that funds should be returned for 246 items totaling \$291,488 if we stated in our finding that we were unable to determine whether these items were part of 363 items found in other locations, or not in use. VIDE also stated that one site – the Vocational Complex – had several items totaling \$82,421 that were listed as missing, even though the items were not purchased with Federal funds. Finally, VIDE claimed that if repayment is inevitable for some unaccounted for items, the depreciation of the equipment should be taken into account, since the value of an item that is missing or unaccounted for depreciates over time. VIDE stated that computers purchased and installed in 1996 do not have the same value today.

VIDE concurred with the remaining six recommendations and stated that it will develop procedures to ensure that data input is consistent; provide training to those employees that handle the Department's property; complete a physical inventory at least once every two years to comply with Federal requirements; explore other sites for storage; require that each school reports stolen equipment; set up control logs at various job sites to monitor equipment that is loaned; explore a library check-out system for laptop computers at all schools; and implement a new internal accounting system.

## **OIG's reply**

We considered VIDE's response to Recommendation No. 1 but did not change our findings or recommendations because VIDE failed to provide documentary evidence supporting its contentions. Since VIDE failed to provide a detailed listing of the \$159,776 of equipment found, we cannot determine its validity. Similarly, without VIDE providing evidence of the location of equipment associated with the 16 requisitions, we still consider the equipment as unaccounted for. Finally, VIDE did not identify the \$82,421 worth of equipment purchased with non-Federal funds located at the Vocational Complex. VIDE should provide the evidence to ED officials when it responds to the resolution official noted on page nine.

We also disagree with VIDE's claim that depreciation should be taken into account for equipment that was purchased and installed in 1996. First, our inventory only included equipment purchased after 1997. Most equipment was purchased during 1999, 2000 and 2001. Second, VIDE had no documentation to support disposition of the missing or unaccounted for equipment.

The corrective actions VIDE outlines in its response to the remaining six recommendations are responsive to the inventory controls weaknesses identified in this report.

## OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of our audit was to determine whether VIDE–St. Croix was appropriately controlling the equipment purchased with ED funds. We performed physical inventories based on purchases made between January 1, 1997 and October 31, 2001, for 2,985 items that had recorded costs of \$2,991,319. We performed fieldwork at VIDE–St. Croix, St. Thomas, and at the VI Department of Finance during the period May 15, 2001 to August 23, 2002, the date of our exit conference with Virgin Islands government officials. To perform the physical inventories, we made on-site visits, from December 3, 2001 through December 14, 2001, to the following 16 selected locations:

1. St. Croix Central High School
2. Curriculum Center
3. Vocational Complex
4. John H. Woodson Jr. High School
5. Arthur A. Richards Jr. High School
6. Academic Complex
7. Pearl B. Larsen Elementary School
8. Elena Christian Jr. High School
9. Freewill Baptist School
10. Alfredo Andrews Elementary School
11. Juanita Gardine Elementary School
12. Good Hope School
13. Ricardo Richards Elementary School
14. Charles Emanuel Elementary School
15. Alexander Henderson Elementary School
16. Country Day School

To accomplish our audit objective, we reviewed VIDE’s 1998, 1999, and 2000 Single Audit reports and working papers for findings related to equipment control, reviewed equipment purchase requisitions, interviewed VIDE–St. Croix officials, reviewed updated inventory lists obtained from VIDE–St. Croix’s Media Library Services Coordinator, and performed physical inventories at 16 out of 59 locations. We selected all 16 locations having purchased equipment valued at over \$100,000. Our physical inventory excluded non-ADP items valued under \$400.

To assist us in achieving our audit objective, we relied in part on computer-processed data maintained by the VI Department of Finance on its Financial Management System (FMS). We tested the accuracy, authenticity, and completeness of the FMS data by comparing source documents to FMS data. Based upon these tests, we found the supporting documentation and FMS data to be consistent and reliable for the purposes intended. Our comparison also revealed that the inventory records provided by the St. Croix Media Library Services Coordinator were incomplete and inaccurate.

Our audit was performed in accordance with generally accepted government auditing standards appropriate to the scope of the review described above.

## **STATEMENT ON MANAGEMENT CONTROLS**

We did not assess the adequacy of VIDE-St. Croix's management control structure applicable to equipment inventory. Instead, we gained an understanding of the Media Library Services Coordinator's controls over equipment and relied on substantive testing of school inventories. We also reviewed VIDE's Single Audit reports and working papers for findings related to equipment control, reviewed equipment purchase requisitions, interviewed VIDE-St. Croix officials, reviewed updated inventory lists obtained from VIDE-St. Croix's Media Library Services Coordinator, and performed physical inventories at 16 out of 59 locations.

Our testing identified major weaknesses in VIDE-St. Croix's inventory controls, including that VIDE-St. Croix did not maintain adequate inventory and management controls over equipment purchased with ED funds and could not account for a significant amount of equipment. These weaknesses and their effects are fully discussed in the AUDIT RESULTS section of this report.



## ADMINISTRATIVE MATTERS

If you have any additional comments or information that you believe may have a bearing on the resolution of this audit, you should send them directly to the following Education Department official, who will consider them before taking final Departmental action on the audit:

Eugene Hickok  
Acting Assistant Secretary  
Office of Elementary and Secondary Education  
U.S. Department of Education  
Federal Building No. 6  
400 Maryland Ave, SW, Room 3W315  
Washington D.C. 20202

Office of Management and Budget Circular A-50 directs Federal agencies to expedite the resolution of audits by initiating timely action on the findings and recommendations contained therein. Therefore, receipt of your comments within 30 days would be greatly appreciated.

Statements that managerial practices need improvements, as well as other conclusions and recommendations in this report represent the opinions of the Office of Inspector General. Determinations of corrective action to be taken will be made by the appropriate Department of Education officials.

In accordance with Freedom of Information Act (5 U.S.C §552), reports issued by the Office of Inspector General are available, if requested, to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Helen Lew". The signature is fluid and cursive, with the first name "Helen" and last name "Lew" clearly distinguishable.

Helen Lew  
Acting Assistant Inspector General  
for Audit

## Attachment A

## Items Found and Not Found By Location

LOCATION		ITEMS NOT FOUND			ITEMS FOUND						
		QUANTITY	RECORDED COST	% ITEMS NOT FOUND	QUANTITY	RECORDED COST	% ITEMS FOUND	TOTAL QUANTITY	TOTAL RECORDED COST	% OF RECORDED COST NOT FOUND	% OF RECORDED COST FOUND
1	St. Croix Central High School	58	\$ 71,993	13	388	\$ 386,169	87	446	\$ 458,162	16	84
2	Curriculum Center	241	293,354	41	347	379,557	59	588	672,911	44	56
3	Vocational Complex	137	150,527	33	274	206,139	67	411	356,666	42	58
4	John H. Woodson Jr. High School	21	21,916	21	81	94,042	79	102	115,958	19	81
5	Arthur A. Richards Jr. High School	23	21,618	16	123	120,767	84	146	142,385	15	85
6	Academic Complex	35	24,859	20	142	119,100	80	177	143,959	17	83
7	Pearl B. Larsen Elementary School	5	7,497	4	122	122,456	96	127	129,953	6	94
8	Elena Christian Jr. High School	28	37,408	23	96	97,135	77	124	134,543	28	72
9	Freewill Baptist School	14	11,244	11	110	113,097	89	124	124,341	9	91
10	Alfredo Andrews Elementary School	12	10,174	9	125	126,393	91	137	136,567	7	93
11	Juanita Gardine Elementary School	28	32,864	25	86	72,010	75	114	104,874	31	69
12	Good Hope School	7	7,215	6	103	87,868	94	110	95,083	8	92
13	Ricardo Richards Elementary School	9	6,507	9	87	86,569	91	96	93,076	7	93
14	Charles Emanuel Elementary School	3	4,772	3	94	101,374	97	97	106,146	4	96
15	Alexander Henderson Elementary School	10	3,791	12	73	71,861	88	83	75,652	5	95
16	Country Day School	10	20,189	10	93	80,854	90	103	101,043	20	80
TOTALS		641	\$ 725,928	21	2,344	\$ 2,265,391	79	2,985	\$ 2,991,319	24	76

Attachment B

Damaged and Unused Equipment Stored in an Unsuitable Area  
St. Croix Central High School



Attachment C

03/21/2003 FRI 21:43 FAX

001/001



Tel: (340) 774-0100

Government of the United States Virgin Islands

*Department of Education*

Office of the Commissioner

#44-46 Kongens Gade

St. Thomas, U.S. Virgin Islands 00802

Fax: (340) 779-7153

March 17, 2003

Daniel P. Schultz  
Regional Inspector General for Audit  
U.S. Department of Education  
Office of Inspector General  
75 Park Place, 12<sup>th</sup> Floor  
New York, NY 10007

Dear Regional Inspector General Schultz:

Transmitted herewith is the Department of Education's Response to Audit No. ED-OIG/A02-C0019 entitled "*The Virgin Islands Department of Education-St. Croix School District's Control of Equipment Inventory.*"

Please contact Mr. Dwight Simmonds, Director, Federal Grants & Audit at 340-774-0100 extension 3155 should you require any additional information.

Sincerely,

A handwritten signature in dark ink, appearing to read "Noreen Michael", written over a horizontal line.

Noreen Michael, Ph.D.  
for Commissioner

## Attachment C

### **AUDITORS FINDINGS**

#### **SITUATION:**

VIDE- St. Croix could not account for \$1,017,416 in equipment. This included \$725,928 of equipment missing from 16 locations visited, and \$291,488 for 246 unaccounted items that were purchased, but not listed on the inventory records.

#### **CAUSE:**

- VIDE – St. Croix did not maintain adequate and consistent inventory records
- VIDE – St. Croix’s personnel lacked property management training, and
- VIDE – St. Croix did not perform physical inventories and reconcile results with property records.

#### **RECOMMENDATIONS:**

1. Account for all equipment or return to ED \$1,017,416 in missing or unaccounted for equipment;
2. Implement Controls and procedures to ensure that its property management system is maintained with reliable and consistent information that complies with Federal and VI property management requirements and issue property tags that indicate the funding sources;
3. Provide property management training to its personnel;
4. Perform inventories at all schools at least once every two years, requiring the Media Library Services Coordinator to reconcile the inventory results for each school with property records and original requisition, and properly identify and maintain a list of all property purchased with Federal funds;
5. Maintain adequate storage facilities to keep property in good condition;
6. Maintain adequate records of stolen equipment, ensure that losses, damages, or thefts are investigated, and establish control logs of property removed from school premises and
7. Account for equipment purchases consistently.

### **DEPARTMENT’S RESPONSE**

#### **TO SITUATION:**

VIDE does not concur that \$1,017,416 in equipment could not be accounted for as stated in the audit results. Based on a preliminary review, VIDE was able to ascertain that at least \$159,776.00 worth of the equipment unaccounted for was found by school authorities and are now available for inspection.

## Attachment C

Secondly, the Department questions the basis upon which the U.S. Department of Education has made the determination that funds should be returned for the 246 items totaling \$291,488. USDOE clearly states in its findings that they “were unable to determine whether these items were part of” the 363 items found in other locations, or not in use. Finally, if repayment is inevitable for some unaccounted for items depreciation of the equipment should be taken into account. Certainly, computers purchased and installed in 1996 do not have the same value today.

### TO RECOMMENDATIONS:

#### *Recommendation # 1:*

VIDE does not concur. The value of an item that is missing or unaccounted for depreciates over time, especially computer equipment. If the Department is ultimately required to pay, it should be at the depreciated cost of the equipment. Also, one site -- the Vocational Education Complex -- had several items totaling \$82,421 listed as missing. However, **these items were not purchased with federal funds**. Further, VIDE questions how a determination could be made that VIDE had not accounted for or had mismanaged federal property when the supporting information, an account code, (the basis for identifying funding source) was not available? How did auditors arrive at their determination?

Persons Responsible: Terrence Joseph, Insular Superintendent STX  
Sonia Clendinen, Deputy Commissioner,  
Fiscal & Administrative Services

#### *Recommendation # 2:*

VIDE concurs that stronger controls are necessary to account for property purchased with either federal or local funds. The issue is currently being addressed as VIDE attempts to fully meet requirements under the Compliance Agreement. VIDE will develop procedures to ensure that data input is consistent and staff is trained to work in all phases of the purchasing, receiving and distribution of property inventory. The property tagging (color coded tags) has already been implemented in the St. Croix District and the St. Thomas District will implement a similar system within the next three months. (Please see Exhibit A.)

Person Responsible: Cosmore Wheatley, Director Property & Procurement  
STT/STJ District

Due Date: June 30, 2003

## Attachment C

### ***Recommendation # 3:***

VIDE concurs that training is always necessary for its employees to effectively discharge their duties and responsibilities. Therefore training will be given to those employees that handle the Department's property. Although the USDA Graduate School is able to provide this type of training, VIDE is seeking at least two other qualified bidders who can perform this function to ensure the competitive bidding requirements have been met.

Person Responsible: Sonia Clendinen, Deputy Commissioner,  
Fiscal & Administrative Services

Due Date: June 30, 2003

### ***Recommendation # 4:***

VIDE concurs that a physical inventory is needed at least once every two years and will ensure that one is completed at least once every two years to comply with federal requirements. The results of the physical inventory will be compared with the inventory records and updated as required. VIDE expects to complete this year's inventory/reconciliation by June 30, 2003.

Person Responsible: Sonia Clendien, Deputy Commissioner,  
Fiscal & Administrative Services

Julio Espinosa, Director Curriculum Center/ Media Library  
Services

Due Date: June 30, 2003

### ***Recommendation # 5:***

VIDE concurs. VIDE will explore other sites for storage, on and off campus, in an effort to improve storage accommodations, specifically at the St. Croix Central High School.

Person Responsible: Terrence Joseph, Insular Superintendent STX

### ***Recommendation # 6:***

VIDE concurs that adequate records of stolen equipment should be maintained and that a police report should be filed for every break-in on VIDE premises. Also, since August 2002, VIDE has required that this information be reported by each school as part of its annual data reporting deliverables. These procedures will be reported by each school and all other possible steps will be taken to curtail larcenous behavior. Control Logs will be set up at various job sites to monitor equipment out on loan. A library check-out system for laptop computers is being explored at all schools to streamline this process.

## **Attachment C**

Person Responsible: Sonia Clendinen, Deputy Commissioner,  
Fiscal & Administrative Services

Due Date: June 30, 2003

### ***Recommendation # 7:***

VIDE concurs that all posting into the database (Property Records) should be consistent. This will be reinforced through the training that will be conducted for all personnel handling the inputting of data. Further, some of these problems will be immediately rectified with the implementation of our new internal accounting system, namely the Comprehensive Information Management System (CIMS). Location Code, Category, and Classification Code are all pre-set in CIMS. Persons performing input functions will not be allowed to change the manner in which data are inputted into the system. When inventory items are received, they will be automatically entered into the fixed assets inventory. It is anticipated that CIMS will be operational by 06/01/03. (Please see Exhibit B.)

Person Responsible: Sonia Clendinen, Deputy Commissioner,  
Fiscal & Administrative Services

Due Date: June 30, 2003



**Attachment C**

**EXHIBIT A**

**A SAMPLE OF THE COLOR CODED TAG  
BEING IMPLEMENTED IN THE ST. CROIX  
DISTRICT**



## Attachment C

EXHIBIT B

### CIMS PROGRESS REPORT

02/10/03

The implementation of the Comprehensive Information Management for Schools (CIMS) is progressing on schedule. CIMS is a financial and human resources software package that is designed for school districts. It is currently in use by over 1,000 school districts in the United States. Several states have adopted it for all of their school districts. The cities of Pittsburgh, PA and El Paso, TX have recently adopted the software.

#### Installation and Initial Setup

In May of 2002, the software was installed on the AS/400. The AS/400 had already been upgraded with increased memory and hard drive storage to accommodate the CIMS software. Also, in April a CIMS consultant spent two weeks with the Department of Education's fiscal and human resource managers explaining the software and helping the staff to make decisions on configuring the software to meet our needs. Areas covered included setting up the account string, selecting system parameters for the general ledger, purchasing, accounts payable, payroll, human resources, and the position inventory. Also covered was the application control module, which involved user setup, security, menu modification, file backup, and software revision installation. Some of the tables in the software were filled with data based on decisions that were made.

#### Programs to Convert NOPA Data

As part of the consultants visit, a plan was developed to convert the Department's existing personnel and position control information (NOPA) into the CIMS software. The file layouts and field names for the CIMS software were identified. A program was developed to convert the NOPA data into the new codes for CIMS organized by CIMS files and using CIMS filed names.

The government Office of Personnel notified the Department of Education that they were implementing new position codes. A program was written to convert existing position codes in our NOPA file to the new codes.

#### Training

In July of 2002, a CIMS trainer spent two weeks in the Virgins Islands training users on the various modules of the CIMS software:

- General Ledger
- Purchasing
- Employee Management
- Payroll
- Accounts Payable

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