

Summary of Findings: Audit of AUSD Facilities Rentals

Chad Pimentel
General Counsel

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AUSD Facilities

- Used after school and on weekends
- Use governed by District's Facilities Use Handbook
 - Requires insurance, proper training, etc.
- Different categories of user:
 - School (practices, performances, etc.)
 - Nonprofit organizations
 - For-profit entities
- Different users charged different amounts
 - School: No charge
 - Nonprofit: Direct cost (custodial, utilities)
 - For-profit: Market rate

Pre-Existing Facilities Reservation Process

- Two mechanisms
 - Schools reserve time on their own
 - At larger sites, multiple people could reserve
 - Variation between sites
 - Outside users book through District's Maintenance, Operations, and Facilities department (MOF)
 - First-come, first-serve
- MOF bookings dependent on:
 - Confirmation that space not needed for school use
 - Issuance of permit
 - Insurance

The Issues

- Outside users approached the District with complaints that space was not regularly available at some facilities through MOF permitting process
- District staff observed use of District facilities by other outside users despite not having permits on record with MOF
- Together, this raised questions regarding (1) how facilities were reserved and (2) whether District was incurring custodial, utilities, and wear-and-tear costs without repayment

District's Response

- Conducted internal review comparing:
 - Permit records
 - Public advertisement of events at District sites
 - Deposits into District/booster accounts
- Contracted with outside auditing firm which:
 - Reviewed booking policies and procedures
 - Interviewed staff and outside users
 - Sampled events flagged by District to determine whether booking/payment processes followed

Auditor's Findings

- In all four sampled items, events were booked for school use but actually used by outside organizations without a permit:
 - District did not collect fees in any of the four instances
 - Cost to the District estimated at \$14,500
 - Additional losses associated with other events possible but loss not calculated
 - Events themselves generated funds; funds could not be tracked to District accounts
- District lacked criteria for allocating facilities time among multiple outside users

Auditor's Recommendations

- Create single point of contact at each school for school-use reservations
- Update Facilities Use Handbook to re-emphasize that outside users must book through MOF and ensure internal and external stakeholders know about the Handbook
- Require manager-level approval of MOF bookings, fee calculations, and accounts receivable
- Fundraisers for District teams or programs should receive advance approval from Business Services

AUSD's Next Steps

- Principals must now sign off on all school-use facilities reservations
- MOF permitting process includes manager approval
- MOF will limit long-term permits so that facilities remain open for a greater variety of users
- Facilities Use Handbook being revised to reflect these and other changes; will be brought to Board in early 2019
- Outside counsel to determine if laws forbidding gifts of public resources violated

Questions?