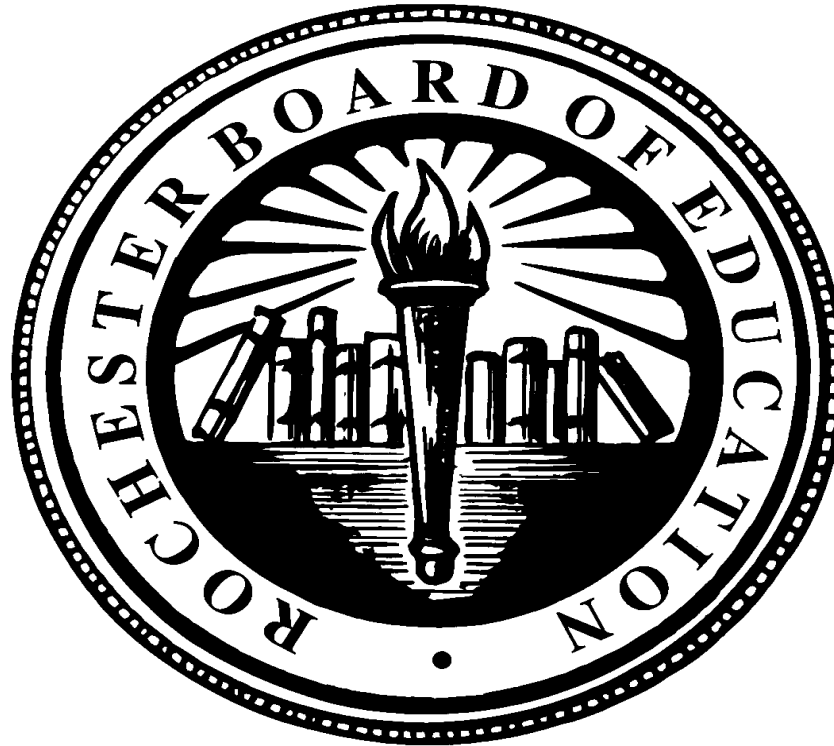


OFFICE OF AUDITOR GENERAL



Textbook Management Audit Report



Textbook Management

Executive Summary

OBJECTIVE

To evaluate the internal controls for textbook management, including oversight of financial and operational administration for the Distribution Center and school locations.

BACKGROUND

Textbooks are an important instructional resource for both students and teachers. The District serves approximately 28,500 students and must manage the selection, adoption, ordering, receipt, and distribution of all the textbooks used by all grades and subject areas. The District must effectively implement the textbook selection process, for quality control and continuity purposes. Textbooks should be selected and adopted on a district-wide basis. There are also textbooks utilized under pilot programs, which are held at specific schools, but should be subject to the same process as a general textbook adoption. Appropriate planning is required to ensure textbooks are vetted, as outlined in the District's policy and are ordered and distributed timely so that students receive all required textbooks at the beginning of the school year. The District budgets textbook expenditures at approximately \$2M annually and receives approximately \$2M in state aid for textbook expenditures.

SCOPE

We obtained an understanding of the current operating and control environment including policies, regulations and procedures. We assessed the adequacy of the financial and operational oversight for textbook management. We evaluated the effectiveness and efficiency of leadership and the internal controls for the textbook operations. Our evaluation reviewed textbook selection, adoption, ordering, receiving and distribution.

CONCLUSION

Improved planning, communication, documented standards, monitoring and overall management of the entire textbook management process would greatly enhance operations and efficiency. Three functional areas are responsible for completion of the textbook cycle. This complicates the performance of tasks in an efficient manner. In addition, there is no onsite management where the textbooks are located. Further, the textbook coordinator's office is not at the Distribution Center where the books are located. Additional oversight from the adoption to the purchase process across the district would enhance visibility over the resources utilized and the total dollars spent. Enforcement of adopted texts are required to ensure that adopted district curriculum is taught at all schools. Inventory control and management at the Distribution Center and in individual schools would ensure textbook resources are properly utilized and resources spent on textbooks are maximized.



Textbook Management Summary of Recommendations

Rec #	Recommendation
1	<p><i>Develop, Communicate and Enforce comprehensive Board Policy and/or Superintendent Regulations to direct Textbook Management operations. The guidance should include direction on the adoption process for digital content and supplemental texts, approval of pilots, textbook evaluation cycle, lost or damaged book reimbursements, decommissioning textbooks, and the disposal process.</i></p> <p><i>Enforce compliance with existing Superintendent Regulation 4511-R on Textbook Selection and Adoption and any additional Board Policies and Superintendent Regulations established for to direct operations</i></p>
2	<p><i>Develop and implement comprehensive written protocols and operating desk procedures for all Textbook Management processes. Establish detailed procedures for Textbook Management such as, textbook evaluation cycle, textbook selection, adoption, ordering, inventory, Destiny data entry and maintenance, barcoding, receiving, distribution, decommissioning and disposal. Communicate and enforce compliance with written procedures.</i></p>
3	<p><i>Evaluate the Textbook Management function's organizational structure and operating requirements and make any modifications required to ensure clear ownership, responsibilities and reporting lines. Develop documented roles and responsibilities to align with any changes in the organizational structure.</i></p>
4	<p><i>Evaluate the current budget structure for textbook expenditures and determine if a centralized budget is the most cost effective method. Consider developing a chargeback process for textbook purchases, so schools are accountable for their textbook purchases.</i></p>
5	<p><i>Identify an electronic order tracking process to house all order, receiving and distribution information and eliminate the need for coordination through email and paper forms. Ensure all appropriate parties have access to the order tracking system.</i></p>
6	<p><i>Develop a process for conducting physical inventory of textbooks and updating Destiny to ensure accurate counts are reported. Perform a physical inventory of textbooks at all District locations.</i></p>



Textbook Management Summary of Recommendations

Rec #	Recommendation
7	<i>Establish standards regarding the amount of inventory that should be maintained at schools. Provide guidance to schools to facilitate the process to determine appropriate textbook inventory. Include student enrollment, class requests, lost and damaged textbooks, surplus inventory and textbook assignment in creating the standard.</i>
8	<i>Evaluate textbook storage facilities at schools to determine if space, location, and environmental conditions are appropriate to maximize the textbook investment. Ensure the location is accessible, free from water and other sources of damage and organized by subject, grade and title to facilitate inventory control and use.</i>
9	<i>Evaluate the practicality of individually barcoding textbooks given current operating practices across the district. Based on the assessment, develop appropriate procedures to ensure appropriate inventory procedures for textbooks.</i>
10	<i>Develop and document standards for cataloging textbooks in Destiny. Communicate the standards to everyone with access to catalog textbooks.</i>
11	<i>Develop standard procedures for managing textbooks and keeping inventory and consumables accurate in Destiny. Ensure the procedures are simple and efficient to enable schools to effectively manage textbooks in the system. Monitor schools for compliance by periodically spot checking inventory levels.</i>
12	<i>Develop a textbook evaluation cycle by subject and grade level and ensure every textbook is Board adopted and evaluated for content and alignment with state standards and current curriculum. Define a process for evaluating textbooks to ensure consistency in the assessment.</i>
13	<i>Develop a formal communication process which brings awareness to all Subject Area Directors that a textbook selection and adoption process for a given subject has been approved to begin. Require all Subject Area Directors impacted by the adoption to serve as a representative on the textbook selection committee.</i>
14	<i>Establish a standard textbook selection calendar for all adoptions to ensure deadlines are established for evaluation, Board adoption, ordering and receipt of textbooks prior to the start of the school year. Consider vendor lead times for ordering textbooks.</i>



Textbook Management Summary of Recommendations

Rec #	Recommendation
15	<i>Develop a formal notification process for schools to ensure they are informed of new textbook adoptions and anticipated delivery of new textbooks. Ensure the schools are notified when to expect the delivery and the volume of textbooks ordered for the school.</i>
16	<i>Restrict the ability to order textbooks to the Textbook Coordinator to enable the actual coordination of textbook purchases and use.</i>
17	<i>Develop a process which holds schools accountable for communicating textbook requirements timely.</i>
18	<i>Formalize, communicate and enforce a process for recovering textbooks from school locations. Periodically assess unused books at schools to minimize excess unused inventory at schools.</i>
19	<i>Develop a formal approval process to decommission previously Board adopted textbooks no longer in use. Assess the textbooks on hand and determine the need for supplemental use, at least annually.</i> <i>Develop a formal disposal process for textbooks no longer needed by the District. Establish formal criteria for supplemental material for teachers, utilization for district partners, family resources and vendor purchases. Dispose of decommissioned books at least annually</i>
20	<i>Require supplemental textbooks to be evaluated by Subject Area Directors prior to purchase to ensure alignment with the current curriculum and learning philosophy. Provide visibility of textbook requisitions to Subject Area Directors to enable them to evaluate supplemental resource purchases.</i>
21	<i>Establish formal expectations, automation and timelines for the entire distribution process including the communication of the delivery location, the processing of the shipment and the delivery to the school. Document the timelines and actual distribution dates and times. Monitor deadlines with actual to assess where delays are occurring.</i>
22	<i>Establish a process which allows Distribution Center the ability to catalog textbooks in Destiny if they are not already in the system. Provide Distribution Center with access to catalog textbooks in Destiny.</i>