

**SAVANNAH-CHATHAM COUNTY BOARD OF EDUCATION**  
**Internal Audit Department**



TO: Board of Education

THROUGH: M. Ann Levett, Ed.D, Superintendent of Schools  
Vanessa Miller-Kaigler, Deputy Superintendent of Operations

FROM: Marshall Withers, Senior Director, Internal Audit

DATE: March 25, 2021

SUBJECT: Report on Contract Audit of Lawn Care Services

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We have completed our Contract Audit of Lawn Care Services. Our audit report is presented in the sections listed below:

- I. AUDIT OBJECTIVES**
- II. AUDIT SCOPE**
- III. BACKGROUND**
- IV. AUDIT CONDITIONS**
- V. OTHER MATTERS**

Management's response to our report is attached in its entirety. In addition, the specific action that management has agreed to take in response to each recommendation is included in the Management Action Plan, along with who is responsible for the action and when it will be completed.

**I. AUDIT OBJECTIVES**

Our Contract Audit of Lawn Care Services was designed to meet specific objectives. Within those objectives, we focused on areas where we identified opportunities for improvement. The objective of our audit was as follows:

1. Determine if the District and vendor are in compliance with their responsibilities as defined in contract.

## **II. AUDIT SCOPE**

The Contract Audit of Lawn Care Services was conducted at the request of the Deputy Superintendent of Operations.

In meeting the objective of the Contract Audit of Lawn Care Services, we performed the following:

- Interviewed and discussed processes with the Division of Finance's Purchase Department, Senior Director of Maintenance and Operations, and other Maintenance and Operations employees involved with the vendor.
- Reviewed the District's Board Policies, Regulations, and procedures in relation to the subject of the audit.
- Conducted internal control tests of the provided procedures to ensure compliance and identify areas of best practice and/or improvements.
- Reviewed vendor invoices and District payment for FY19 and FY20.

Our fieldwork was conducted during the period of August 2020 through October 2020.

Internal Audit conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Details of each area tested and recommendations for strengthening the internal controls in that area are listed below.

The Board's District Accountability System (DAS) lists five goals:

- I. To ensure all students are college and career ready.
- II. To provide a supportive learning environment that is conducive to teaching and learning.
- III. To maximize family and community engagement that contributes to the advancement of student success.
- IV. To build professional capacity in order to achieve a premier student-focused workforce.
- V. To maximize resource stewardship and fiscal responsibility by ensuring District resources are used efficiently, effectively, economically, and equitably (4E's).

#### **IV. BACKGROUND**

In June 2015, annual contracts for Lawn Care Contract Services were awarded to four companies: Tidewater Landscape Management, Inc., Sodman Landscape Design, Inc., Manker Landscape, LLC, and Austin Outdoor, LLC for a total annual cost of \$862,690 with an option to renew for four additional one-year terms. By the following year, the District had terminated one of the vendors and in June 2016 renewed the Lawn Care Contract to the following companies: Tidewater Landscape Management, Inc., Sodman Landscape Design, Inc., and Manker Landscape, LLC for a total cost of \$871,945. Since June 2017, the Lawn Care Contract Services have been awarded to Tidewater Landscape Management, Inc., and Manker Landscape, LLC for total costs of \$926,547 (FY18 and FY19) and \$945,077 (FY20). Due to restrictions associated with COVID-19 Pandemic and extension was approved for this contract through December 31, 2020.

#### **V. AUDIT CONDITIONS**

##### **Condition A. Monitoring of Special Terms and Conditions and the Contract Administration Plan**

*(DIP DAS Goal V)*

The District's monitoring of the vendor's service and billing requirements under Section I-37 of the Lawn Care Services Contract and the Contract Administration Plan is insufficient in ensuring that service was completed as scheduled and billed based on service provided. In addition, the documentation of the District's meetings with vendors as outlined in the Contract Administration Plan were also insufficient in order to identify vendor and District concerns related to contract compliance.

Section I-37 of the Lawn Care Services Contract states, "The Service Provider will submit on a monthly basis, an itemized invoice which includes the following: Purchase Order Number, Date of Service, Site/Location/Address, Monthly service amount (by site), a service affidavit, service release or work order form signed and dated by Maintenance and Operations Project Manager upon completion of service visit. A copy of invoice with required documentation must be forwarded to the District's contract representative for payment of processing.

The Service Provider shall acquire and maintain for the duration of the contract insurance coverage for the limits as stated on the insurance attachment. Failure to provide a current certificate of insurance at any time will result in contract termination. (Vendor was compliant)

The Service Providers shall secure all necessary permits and licenses imposed by laws and ordinances; pay all costs and fees; give all notices required; protect

all property; comply with traffic protection standards and keep roads, sidewalks, parking areas open for traffic to the extent possible by providing and installing signals, warning signs, and barricades. (Vendor was compliant)

The Service Provider will be responsible for providing, maintaining and transporting to the site(s) all necessary labor, equipment, fuels, and supplies including fertilizer, chemicals, pine straw, seed, etc. As necessary to perform the lawn and grounds maintenance in accordance with the specifications listed herein.

The Service Provider will make any management recommendations to the District which, based on their experience and expertise, will further enhance the appearance and health of the school grounds and/or reduce associated maintenance costs of the properties.

The Service Provider will be available for periodic site inspections when requested by the District.”

In addition to the contract, a Contract Administration Plan was developed to outline additional requirements of the vendor and expectations of the performance monitoring by the District. The performance monitoring of the vendor is the responsibility of the Maintenance and Operations Department. This includes quarterly and annual evaluations, onsite observations of conducted work, and invoice review.

Within the Contract Administration Plan, a Delivery Schedule is provided that defines the following requirements:

- Written Monthly Schedule of Services to be performed. Due Date: 10 days before the beginning of the month.
  - ★ Internal Audit identified through documentation that the monthly schedule was provided only once a year with the acknowledgement by the District that the vendor would perform their service four times a month between the months of March – October and two times a month between the months of November – February.
- Quarterly Meetings conducted four times a year. The Purchasing Department had notes about the meeting. The Maintenance and Operations Department had no meeting minutes of these meetings. During the initial impact of Covid-19 (March – June 2020), no meetings were conducted, although the vendor was still performing the service.
- Quarterly Evaluation Report conducted three times a year. These meetings are conducted with the District’s Purchasing Department and the Maintenance and Operation’s Department. We were informed there were no meeting minutes of these meetings.
- Annual Evaluation Report conducted yearly. This meeting is conducted with the District’s Purchasing Department and the Maintenance and

Operation's Department. We were informed there were no meeting minutes of this meeting.

- Weekly/Bi-weekly Service Affidavits provided following business day after service.
  - ★ In review of documentation and Section I-37 of the contract, the service affidavit should be included with the monthly invoice provided to the District. The language in the contract and the Contract Administration Plan contradicts each other of the submission requirements of the service affidavits.
  - ★ The contract also refers to a service release or work order form signed and dated by Maintenance and Operations Project Manager upon completion of service visit that should be included with the invoice documentation. This form is to serve as evidence that the District conducted an onsite visit to ensure work was physical performed to contract requirements. We found no evidence of this document within the monthly invoice documentation.

The service affidavit functions as a source of acknowledgement by the school site that the vendor was onsite to conduct the service. As required by Board policy, vendors are required to check in at a school/site's office to inform the site administrator that they are onsite. As part of this process, the service affidavit is signed. Another function of the service affidavit is to provide backup to the invoice to reflect the number of services conducted (should reflect the minimum requirements as defined in the monthly schedule) at the school/site. In our internal control review of billing, we found we could not correlate the service affidavit to the invoice on a consistent basis. In a yearly review, we found one vendor had over half of the service affidavits not dated and was missing two months' worth of five schools/sites' affidavits. The other vendor had multiple issues with not only the affidavits but also the invoicing. In a year's review of the invoice and affidavits, we found the following:

- Invoices with the same invoice number and date were submitted by the vendor (duplicate invoice number). The District paid these invoices but just changed, by hand, the invoice numbers.
- The invoices did not have the purchase order number with the bid number as required by the contract.
- We found 67 affidavits that were not signed.
- In multiple months, we could not locate affidavits to support the number of service requirements based on the monthly schedule. Therefore, it appears that the vendor did not conduct the service as outlined in the contract. In addition, we found in our review of disbursements to the vendor, the District continued to pay the vendor for services that could not be verified through service affidavits.

In discussions with Maintenance and Operations, we were informed they do not review the affidavits prior to approving the invoice for payment.

The District must set the tone of expectation of a vendor not only within the language of a contract but also in implementing and enforcing the contract. The District did not adhere to the performance monitoring of the Contract Administration Plan; and therefore, placing the District at risk of paying for services not rendered.

### **Recommendations for Condition A**

#### To Division of Operations:

1. Review, identify and correct redundant or conflicting language within the contract to the Contract Administration Plan to ensure clear and concise communication of expectations.
2. Develop a stronger monitoring control system of both the vendor and District requirements to the contract to ensure services are rendered as defined and District employees are meeting all job expectations.

**MANAGEMENT ACTION PLAN**  
**Audit of Lawn Care Services**  
**Management's Response and Action Plan**

Comment or Condition Description	Recommendation	Responsible Area(s)	Action	Current Estimated Completion
A.1	Review, identify and correct redundant or conflicting language within the contract to the Contract Administration Plan to ensure clear and concise communication of expectations.	Maintenance and Operations Dept., Purchasing Dept., and Board Attorney	In conjunction with the Purchasing Dept. and the Board Attorney ensure that there is no redundant or conflicting language within the contract to the Contract Administration Plan to ensure clear and concise communication of expectations.	4/15/2021
A.2	Develop a stronger monitoring control system of both the vendor and District requirements to the contract to ensure services are meeting all job expectations and that vendor(s) are submitting all information required for invoice payment.	Maintenance and Operations Dept.	We have created a standard SCCPSS School Lawn Care Service - Service Document that the Lawn Care Contractors will use and have the school sign-off on each time they provide service to the school and if no one is available at the school the SCCPSS area supervisor will verify the work was performed by signing-off on the document.	Completed
A.3	Develop a process to ensure that minutes are maintained of all applicable meetings between the District and vendor(s).	Maintenance and Operations Dept.	A standard quarterly meeting schedule with the District and Lawn Care Vendors have been established whereby we will meet on the first Wednesday of every third month at the SCCPSS Maintenance and Operations Dept. Also, minutes will be maintained from each meeting and filed. A quarterly meeting was held on December 1, 2020 and the next meeting is scheduled for March 3, 2021.	Ongoing