

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
BOND PROGRAM - RISK SCORE**

Risk Area				Risk Score
Number	Risk Category	Sub Category	Risk to District	Risk to District (based on historical controls)
1	Conflict of Interest	Ramsey controlled the Board and agenda items presented to the Board	A District Board member was possibly overriding and/or circumventing District controls and management decisions. The directives may not have been in the best interest of the District and its finances. This could have resulted in inappropriate payments to vendors and contractors and/or the District overpaying for services rendered.	High
2	Conflict of Interest	Brown Act violation - Decisions were made outside of public meetings	Agreements or actions taken that are determined to be a Brown Act violation could result in invalidation of the actions taken and/or civil action against the District to prevent future violations. These actions could result in the District incurring legal fees in its defense as well as having to pay legal fees to the plaintiff, if the plaintiff is successful. There could also be delay of projects if certain contracts or decisions are deemed invalid.	High
3	Conflict of Interest	Allegations of kickbacks to Ramsey	Vendors may have been hired based on willingness to pay kickbacks and not on qualifications or bids. The District may not have hired the most qualified vendors and vendor billings may have been "padded" thus creating an improper expenditure for the District.	High
4	Conflict of Interest	Ramsey controlled daily activities of the District and SGI related to the bond program	A District Board member was possibly overriding and/or circumventing District controls and management decisions. The directives may not have been in the best interest of the District and its finances. This could have resulted in inappropriate payments to vendors and contractors and/or the District overpaying for services rendered.	High
5	Conflict of Interest	SGI told employees they worked for the Board	Risk of fraud - individual on Board may have made management decisions	High
6	Conflict of Interest	Charles Ramsey amended the SGI contract during a Board meeting so that SGI could not be terminated for convenience	The District may have agreed to specific contract clause that may be too restrictive and be against benefit to District	High
7	Conflict of Interest	Ramsey controlled who was in CBOC	The CBOC, as an oversight body of the bond program, may have not questioned information or actions of the Board/District if the individuals selected had loyalties to a certain Board member or District employee. This could taint the independence of the CBOC and result in limited or no oversight.	High
8	Conflict of Interest	The District is spending more money on school improvements in affluent areas than in less affluent areas	The district may have expended bond funds inequitably across schools in the District. District may not complete all projects promised to voters when the measures were passed. District may lose voter confidence and not be able to pass additional bond measures, which would prevent the District from obtaining necessary funds to complete additional projects.	High

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1	Compliance with Legal Requirements and Board Policies	Approval votes in the Facilities Subcommittee were treated as sufficient	Circumventing of approval procedures established by the District may have resulted in inappropriate or wasteful project expenditures.	High
2	Compliance with Legal Requirements and Board Policies	Charles Ramsey told District staff and SGI what to do	A District Board member was possibly overriding and/or circumventing District controls and management decisions. The directives may not have been in the best interest of the District and its finances. This could have resulted in inappropriate payments to vendors and contractors and/or the District overpaying for services rendered.	High
3	Compliance with Legal Requirements and Board Policies	The CBOC has overstepped its legal responsibilities in providing oversight of the bond program	District decision making processes are potentially being slowed, which could result in not meeting deadlines. The District is expending resources to satisfy the requests of the CBOC, which includes funds spend on outside professional services and well as internal staff time. To the extent the costs for professional services and staff time are expensed to the bond fund, these costs are depleting available bond resources.	High
4	Compliance with Legal Requirements and Board Policies	SGI was slow to adopt and enforce the use of Primavera	Inaccurate/incomplete information recorded in Primavera may have resulted in inaccurate/incomplete information submitted to the CBOC, the Facilities Subcommittee, and the Board. Potential vendor/contractor claims may be unidentified and not quantified.	Medium
5	Compliance with Legal Requirements and Board Policies	District employees were negligent in fulfilling their roles and responsibilities to the District related to the bond program	The proper oversight was not administered related to the bond program and/or the proper internal control procedures were not implemented or followed. The District may have expended bond funds in a wasteful manner or on inappropriate transactions.	Medium
6	Compliance with Legal Requirements and Board Policies	What is the legal rationale for using bond funds to purchase computer supplies or limited life products?	District may have used long term debt to purchase short lived assets thus paying interest on bonds for many years after the purchased items are obsolete.	Low

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1	Budgeting Practices	Unbudgeted/under budgeted projects	There is no mechanism in place to plan project spending and control costs. The District has weak fiscal accountability within the bond program, may not be able to complete all projects desired with available funds, and may be questioned by the public.	High
2	Budgeting Practices	District increases budgets to match actual costs	There is no mechanism in place to control project costs. The District has weak or limited fiscal accountability within the bond program, may not be able to complete all projects desired with available funds, and may be questioned by the public.	High
3	Budgeting Practices	Project budgets in Munis do not match Board approvals	Project costs may exceed budgeted/contracted amounts approved by the Board. There is weak or limited fiscal accountability within the bond program.	High
4	Budgeting Practices	There is no system, process, or individual, responsible or capable of controlling project spending	There is no mechanism in place to control project costs. The District has weak or limited fiscal accountability within the bond program, may not be able to complete all projects desired with available funds, and may be questioned by the public.	High
5	Budgeting Practices	Bond program budgets submitted to the Board are one page summaries. The beginning balance does not match the prior report's ending balance.	There is weak or limited fiscal accountability within the bond program. Decisions may have been made based on incomplete and/or inaccurate information presented to the Board.	High
6	Budgeting Practices	Pinole Valley HS budget approved was \$180 million; Current budget is \$181.9 million	Actual project costs may exceed approved budgeted amounts. There is weak or limited fiscal accountability within the bond program.	High
7	Budgeting Practices	Contracts approved by the Board are in excess of budgeted amounts	Actual project costs may exceed approved budgeted amounts. There is weak or limited fiscal accountability within the bond program. The District may not be able to complete all projects desired with available funds.	Medium
8	Budgeting Practices	Bond money received from later measures were used to fund projects promised in previous measures	District is not able to complete all projects promised to voters when the measures are passed. District may lose voter confidence and not be able to pass additional bond measures, which would prevent the District from obtaining necessary funds to complete additional projects.	Low

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1	Vendor Contract Administration	Architects hired to begin conceptual plans for schools decades in advance	The District may have used long-term debt to pay for services far in advance of need. These conceptual plans may need revisions and/or updates once the District is ready to use the plans, and this may cause the District to incur further expense.	High
2	Vendor Contract Administration	SGI worked without a contract for some years. What is termination date of 2013 contract with SGI?	District may have continued to award work to SGI without a current contract	High
3	Vendor Contract Administration	The Facilities Subcommittee recommended to the Board that SGI be selected against staff recommendation	Facilities sub committee may have made recommendations to board based on political influence instead of relying on expert staff recommendation	High
4	Vendor Contract Administration	Board does not approve contracts or approves contracts after they have been entered into	District may have entered into contracts without proper Board approval	High
5	Vendor Contract Administration	Discrepancies in single contract amounts	Awarded vendor contracts may have exceeded Board approved budgets	High
6	Vendor Contract Administration	The Board is not told if a project has sufficient budget for a contract	District may have entered into contracts without proper Board approval	High
7	Vendor Contract Administration	No Board approval of bidding and/or no Board action to approve one award and rescind another	The District may not be compliant with legal requirements and/or Board policies regarding public bidding. District may be exposed to civil action from contractors	High
8	Vendor Contract Administration	SGI using FOC without paying portion of lease. SGI contract may allow for some items that should not be allowed.	District may have paid in excess of contractual agreement for items that may have been vendor's responsibility	Medium
9	Vendor Contract Administration	There is no mechanism to stop a purchase order, contract, or invoice from being paid if there is no Board approved budget for it	District may have incurred expenditures in excess of Board approved budgets	Medium
10	Vendor Contract Administration	Contracts and information was lost because server went down	Significant contract and project information may have been lost and not recovered. The District may not have had sufficient information or history to properly manage contracts. This may have resulted in inaccurate/incomplete information submitted to the CBOC, the Facilities Subcommittee, and the Board. Potential vendor/contractor claims may be unidentified and not quantified.	Medium
11	Vendor Contract Administration	SGI/Architects told to help with promotion of bond campaign	It may have been perceived by the public as a conflict of interest to require district vendors to promote bond measures	Medium
12	Vendor Contract Administration	SGI did not do reporting as required by contract	the District Board may not have been informed as intended by contract requirements	Medium
13	Vendor Contract Administration	SGI forced out subcontractors by not paying them	The District's reputation may have been damaged if subcontractors were not paid after performing work on behalf of the District. If the District had sufficient knowledge of a contractor's nonpayment to its subcontractors, does the District hold any legal responsibility?	Medium
14	Vendor Contract Administration	Contract retention was released (paid) earlier than in past (Gumper/Greenwood Project)	The District may have paid a vendor in full before a project was accepted as complete by the Board. This may have limited the District's recourse if the contractor had not satisfactorily completed the work based on the terms of the contract.	Low
15	Vendor Contract Administration	Who paid for the Primavera system and who owns the rights to Primavera?	District may have paid in excess of contractual agreement for items that may have been vendor's responsibility. District may not have access to or full rights to a system it paid for.	Low
16	Vendor Contract Administration	District's bond program has not been a timely pay for vendors	District may have incurred late fees for late payments to vendors; Vendors may have pursued legal action against the district for nonpayment; District may have gained a poor reputation with vendors	Low

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1	Billings and Performance of Outside Construction Manager	WLC billed existing design as new design	District paid in excess of industry standards for services received	High
2	Billings and Performance of Outside Construction Manager	SGI Billed for time not worked, sick and vacation time	Potential for improper expenditure billed to and paid by District	High
3	Billings and Performance of Outside Construction Manager	SGI employee efficiencies and staffing levels	Potential for improper expenditure billed to and paid by District	Medium
4	Billings and Performance of Outside Construction Manager	SGI purchase of computers that were not delivered to WCCUSD but were billed to WCCUSD	Potential for improper expenditure billed to and paid by District	Medium
5	Billings and Performance of Outside Construction Manager	SGI billed in excess of actual employee qualifications	Potential for improper expenditure	Medium
6	Billings and Performance of Outside Construction Manager	Does SGI keep all records current and updated?	District paid for fees or reimbursables which cannot be substantiated by supporting documentation	Medium
7	Billings and Performance of Outside Construction Manager	Does SGI add a 5% billing charge? Is it authorized?	District paid fees outside of contract terms	Medium

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1	Change Order Approval and Accounting Practices	"Add services" approved for architectural firms were inappropriate (for example, \$7 Million "add service" approved for WLC Architects).	Without an adequate process in place to ensure the appropriateness of change orders (or add services), the District may expend additional funds on vendors for work that is covered by the original contract price or for additional costs that are the contractual responsibility of the vendor.	High
2	Change Order Approval and Accounting Practices	Proposed Change Orders Not in Primavera	Potential vendor/contractor claims may be unidentified and not quantified.	High
3	Change Order Approval and Accounting Practices	Change orders are not Approved by Board	If change orders are not approved by the Board when required and/or appropriate, transparency and accountability is limited, which could result in excessive project costs.	High
4	Change Order Approval and Accounting Practices	Has the District had a process in place to analyze and question change orders before approving?	Without an adequate process in place to ensure the appropriateness of change orders, the District may expend additional funds on contractors for work that is covered by the original contract price or for additional costs that are the contractual responsibility of the contractor.	High
5	Change Order Approval and Accounting Practices	Change orders will be greater than what was communicated by the SGI Construction Manager	The District does not have a full understanding of potential claims and dollar impact from change orders	Medium
6	Change Order Approval and Accounting Practices	Information for expected change orders was lost when the Primavera server went down. These expected change orders are currently uncostered.	The District does not have a full understanding of potential claims and dollar impact from change orders.	Medium
7	Change Order Approval and Accounting Practices	A change order was processed as a settlement to a contractor; therefore, the amount paid to the contractor is not captured as change orders (Greenwood project).	The actual cost related to change orders may have been understated in reporting to the CBOC, the Board, and other oversight bodies. The District has weak or limited fiscal accountability within the bond program.	Medium

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1	Project Accounting Systems - Munis	Munis general ledger and Munis project ledger do not reconcile and are "off by \$7.7 million"	The District is not able to use its financial system to generate reports that accurately present bond program expenditures on a project level. The District must expend additional monies to either (1) manually compile the necessary financial information from various systems or (2) use a separate system to track project costs at the appropriate detailed level.	High
2	Project Accounting Systems - Munis	Munis does not have the ability to control costs to budgets	There is no mechanism in place to control project costs and ensure they do not exceed approved budgets. The District has weak or limited fiscal accountability within the bond program, may not be able to complete all projects desired with available funds, and may be questioned by the public.	High
3	Project Accounting Systems - Munis	Munis does not have the ability to control payments to contract amounts - multiple purchase orders were written for a single contract and there is no control to prevent this	There is no mechanism in place to control vendor payments and ensure they do not exceed approved contract amounts. The District may have made excessive or inappropriate payments to vendors. The District has weak or limited fiscal accountability within the bond program, may not be able to complete all projects desired with available funds, and may be questioned by the public.	High
4	Project Accounting Systems - Munis	Munis project ledger was not set up correctly	The District may not be able to easily track project costs by project using the Munis system. This could result in project costs not being recorded properly and/or not being reported accurately. The District must expend additional monies to either (1) manually compile the necessary financial information from various systems or (2) use a separate system to track project costs at the appropriate detailed level.	Medium
5	Project Accounting Systems - Munis	Does Munis record change orders?	If Munis does not record change orders, the District would not be able to adequately monitor contract spending and costs.	Medium
6	Project Accounting Systems - Munis	Who controls the data input into the Munis and Primavera systems? (Amanco, SGI)	The financial records are ultimately the responsibility of management of the District. If the data input into the financial systems is performed by individuals without the requisite experience and/or without proper oversight by the District, there could be errors or omissions of which the District is not aware.	Medium

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1	Project Accounting Systems - Primavera	Not all projects reflected in Munis are reflected in Primavera	Inaccurate/incomplete information recorded in Primavera may have resulted in inaccurate/incomplete information submitted to the CBOC, the Facilities Subcommittee, and the Board. Potential vendor/contractor claims may be unidentified and not quantified.	Medium
2	Project Accounting Systems - Primavera	Does Primavera record professional service contracts?	Primavera may not capture complete or accurate project cost information. Inaccurate/incomplete information recorded in Primavera may have resulted in inaccurate/incomplete information submitted to the CBOC, the Facilities Subcommittee, and the Board. Potential vendor/contractor claims may be unidentified and not quantified.	Medium
3	Project Accounting Systems - Primavera	S&I is not inputting information accurately in Primavera	Primavera may not capture complete or accurate project cost information. Inaccurate/incomplete information recorded in Primavera may have resulted in inaccurate/incomplete information submitted to the CBOC, the Facilities Subcommittee, and the Board. Potential vendor/contractor claims may be unidentified and not quantified.	Medium

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1	Financial Reporting	Munis, the Munis project ledger, and Primavera do not reconcile	Actual bond project costs may have exceeded the amounts presented to the various oversight and governing bodies. Decisions may have been made based on incomplete and/or inaccurate information presented to the decision making bodies (Facilities Subcommittee and Board). Inaccurate and/or incomplete information may have been provided to the public, which could tarnish public confidence. This may make it more difficult for the District to pass future bond measures, if needed to complete remaining projects.	High
2	Financial Reporting	WLC, SGI, and the Engineering Officer produced financial reports without financial oversight from the District	Actual bond project costs may have exceeded the amounts presented to the various oversight and governing bodies. Decisions may have been made based on incomplete and/or inaccurate information presented to the decision making bodies (Facilities Subcommittee and Board). Inaccurate and/or incomplete information may have been provided to the public, which could tarnish public confidence. This may make it more difficult for the District to pass future bond measures, if needed to complete remaining projects.	High
3	Financial Reporting	Inaccurate and/or no reports were provided to CBOC and/or the Board	Decisions may have been made based on incomplete and/or inaccurate information presented to the decision making bodies (Facilities Subcommittee and Board). Inaccurate and/or incomplete information may have been provided to the public, which could tarnish public confidence. This may make it more difficult for the District to pass future bond measures, if needed to complete remaining projects.	High
4	Financial Reporting	KPI and CAMP reports prepared were not accurate	Actual bond project costs may have exceeded the amounts presented to the various oversight and governing bodies. Decisions may have been made based on incomplete and/or inaccurate information presented to the decision making bodies (Facilities Subcommittee and Board). Inaccurate and/or incomplete information may have been provided to the public, which could tarnish public confidence. This may make it more difficult for the District to pass future bond measures, if needed to complete remaining projects.	Medium

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1	Adequacy of Performance Audits	Bond numbers reported by Total School Solutions reported were incorrect	District received audit opinion based on incomplete or faulty audit procedures	Low
2	Adequacy of Performance Audits	VTD failed to report that project ledger difference had doubled and did not determine if any corrective actions were being taken	District received audit opinion based on incomplete or faulty audit procedures	Low
3	Adequacy of Performance Audits	Has District Auditor done its due diligence and used all available and relevant information?	District received audit opinion based on incomplete or faulty audit procedures	Low