

# **Detroit Public Schools Office of the Auditor General**



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## **OFFICE OF COMMUNITY USE REVIEW OF ACTIVITY**

**School Year 2008-09**

**REPORT NO: 09-201**

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**REPORT DATE: JULY 31, 2009**

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## OBJECTIVES, SCOPE & METHODOLOGY

The primary object of the Office of Community Use was to determine if four events which occurred at Detroit Public Schools facilities were properly authorized and approved in accordance with the Office of Community Use Policy Manual.

The audit scope was focused on four athletic events which occurred at Central High School and Northwestern High School between June 15<sup>th</sup> and July 23, 2009. These events were selected as they were brought to the attention of the Auditor General by the Principal and Regional Superintendent of Schools.

The Office of the Auditor General performed the review by inquiry with employees at the Office of Community Use and Central High School; observation of the events at Central High School and examination of the Office of Community Use Policy Manual to assess compliance.

## BACKGROUND

Detroit Public Schools (DPS) has made school facilities available to allow students, parents and community members to benefit from the use of its facilities. The Office of Community Use of Schools (the Office) oversees the program to permit the use of facilities. A procedures' manual, revised December 22, 2008, to govern the Office outlines the specific requirements for a community organization or private citizen to obtain a permit for community use of a DPS facility. The manual also details the procedures to be followed by the Office in issuing a permit. According to the manual, "A schedule of fees, approved by the General Superintendent or his designee, will be established for each building to help defray the costs of using building facilities during non-instructional hours and preserve the educational budget." The manual specifically states *no non-school use of facilities shall be allowed during the regularly scheduled school day*. The only authorized exceptions are partnerships approved by the General Superintendent, their Deputy or other designees. The manual also states *no activity may take place in a facility during non-instructional hours without the presence of a building custodian*.

In order for the Office to issue a permit for the use of a DPS facility, there are several steps a community member/group must complete. In addition to the steps outlined for a community member, the Office must follow an approval process to issue a permit.

We reviewed information pertaining to the Office of Community Use of Schools and its compliance with its procedural manual for four recent community events.

## RESULTS

We found that 2 of the 4 events (See Appendix for detail on the four events) held at DPS facilities were unauthorized and 2 were issued permits by the Office of Community Use improperly. We noted the Office does not consistently follow all of its procedures outlined in the manual. Specifically, the Office does not enforce its policies on requiring:

- applications to be received 4 weeks prior to the event;
- payments received 10 days prior to the event;
- criminal background checks to be provided.

In addition, we noted a permit was improperly issued for one of the events circumventing the entire approval process and none of the four events that occurred completed all the steps in the approval process.

According to an official from the Office of Community Use of Schools, the requirements noted above have not been enforced in the past because the District wanted to eliminate any barriers to community use to ensure the highest possible utilization of DPS facilities. Also, she stated that criminal background checks have only been required for latchkey programs being held at a school.

We also noted that the Office failed to collect the appropriate amount of fees for the 4 community events which reduced the amount of revenue it realized. Specifically, if the Office of Community Use of Schools followed their own procedures, we estimate that a total of \$2,960 in fee revenue should have been realized from the four events. However, only \$1,790 was actually charged for two events and \$1,170 that should have been assessed was not billed for events that occurred at DPS facilities.

In addition to the lost revenue, DPS is exposed to significant liability risk because it is not consistently requiring sponsors to obtain property and general liability insurance for the events held at DPS facilities.

See the table below for a summary of the requirements to be completed for each of the events.

- Event I - Ben Kelso Basketball Camp – June 15 – 30, 2009 at Central High
  - Unauthorized community use event
- Event II – Sourcing Educational Connections (SEC) - July 06–23, 2009 at Central High
  - Improperly issued permit – no approvals received
- Event III - Ben Kelso Basketball Tournament – July 11, 2009 at Central High
  - Unauthorized community use event
- Event IV - Lomas Brown Football Camp – July 20–23, 2009 at Northwestern High
  - Improperly approved permit issued without payment

<b>EVENTS:</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>
	Kelso Camp	S E C Camp	Kelso Tournament	Lomas Brown
<b>Community Use Permit Requirements:</b>	06/15-25	07/06-23	07/11	07/20-22
Did the event occur	YES	YES	YES	YES
Event scheduled during non-instructional hours	NO	NO	YES	YES
Application received 4 weeks prior to event	NO	NO	NO	YES
Payment of fees 10 days prior to the event	NO	NO	NO	NO
Liability Insurance provided naming DPS	NO	YES	NO	YES
Application approved by:				
School Administrator (Principal)	YES	NO	NO	YES
Chief of Public Safety	NO	NO	NO	YES
Assistant Superintendent	NO	NO	NO	YES
Criminal history report/clearance provided	NO	NO	NO	NO
Permit issued	NO	YES*	NO	YES**
Potential Revenue	\$1,040	\$1,560	\$130	\$230
Actual amount charged	\$0	\$1,560	\$0	\$230
<b>Uncollected Fees</b>	<b>\$1,040</b>	<b>\$520</b>	<b>\$130</b>	<b>\$230</b>
<b>Legend</b>				
<p>YES* - The Office of Community Use issued a permit without proper approval of required signatories.</p> <p>YES** - The Office of Community Use issued a permit without collecting the fees in advance of the event.</p>				

## CORRECTIVE ACTIONS

1. We recommend the Office of Community Use of Schools and Facilities Management & Auxiliary Services ensure that all staff responsible for processing Community Use Applications, are trained on District Policy, as detailed in the Office of Community Use of Schools Policy Manual.
2. Develop a checklist to use for processing applications for community use to help ensure all requirements are met.
3. Prepare a fee schedule as described in the Office of Community Use of Schools Policy Manual and have it published on the district's web-site.
4. The Office of Community Use should bill the sponsors of the events held at Central High School June 15-25, and July 11, 2009. In addition; actions should be taken to collect on the use of DPS facilities by the Lomas Brown Football Camp.

## MATTERS FOR CONSIDERATION

According to the Office of Community Use of Schools Manual, the procedures within the manual are specific to address use, “during non-instructional hours.” According to the procedures, there is to be no non-school use of the facilities during the regularly scheduled school day. The Office of Facilities Management & Auxiliary Services should consider:

- Updating the Policy Manual to ensure instances where community use during instructional hours are considered and documented in the manual.
- Charging nominal fees to recoup the costs associated with additional staff is ideal for an organization or club meeting, however, in those instances where revenue is being generated, the methodology for charging fees should reflect those closer to market value for rental space beyond the \$50 fee outlined in the manual..
- Including Legal and Risk Management as official signatories on the Community Use Application to ensure that a legal review and insurance assessment is part of the decision process, and
- Sending out notices to the Principals at the beginning of the school year to remind them of the Community Use Policy and the procedures necessary to obtain a user permit

## APPENDIX

### Event I

The Office of the Auditor General (OAG) was informed by an Assistant Superintendent that an unauthorized basketball camp was occurring during summer school instructional hours at Central High School. On June 24, 2009, The Office of Auditor General visited Central High School and observed the basketball camp in session. Photographs were taken and the auditor noted the camp was being administered by the community member, Mr. Ben Kelso and the school's Athletic Director, Mr. Roosevelt Green.

At the time of our visit, an application had not been submitted to the Office of Community Use of Schools for approval. Subsequent to our visit an application was presented to the Office of Community Use. However, the proper procedures were not followed in the submission of the application; the Athletic Director completed an internal application for community use. As a result, the application was denied and the community member was requested to complete the proper application form (i.e., external application) required for members of the public.

### Ben Kelso Basketball Camp



Taken June 24, 2009 by the Office of the Auditor General

### Event II

A community use application was submitted for a basketball camp with proof of adequate insurance. The proper application form was completed and submitted by Soaring Educational Connections, Inc. where Mr. Kelso serves as the President. The application was dated July 6, 2009 and requested use of the Central High School gymnasium Monday through Thursday the weeks of July 6 through July 23, 2009. The application did not contain the signatures of the authorized approvers; however, the Executive Director of the Office of Community Use collected \$520 of the \$1,560 fee and issued a permit for community use of the Central High School gymnasium. A second partial payment of \$520 was received July 24, 2009. However, to date, \$520 remains outstanding.

## APPENDIX (continued)

### Event III

On July 13, 2009, the Office of the Auditor General was presented with information that indicated Mr. Kelso used the Central High School gymnasium on Saturday, July 11, 2009 to hold a basketball tournament. While Mr. Kelso held a permit to use the gymnasium July 06 - 23, this particular day was not included as a date in the application or permit. We questioned the Supervisor and the Executive Director of the Office and they were not aware that this event took place at the facility. An application for community use was never submitted to the Office of Community Use of Schools. Therefore, the event occurred without a permit or fee being charged.

### Event IV

On May 29, 2009, an application for community use was received by the Office of Community Use of Schools from the Lomas Brown Player Enhancement Camp to hold a football camp. This application was received prior to the four week deadline with proper documentation verifying liability insurance. All signatures were received and a permit for the use of a DPS facility was approved. The charges for the use of Northwestern High School playfields were determined by the Office of Community Use of Schools and forwarded to the community member. As of July 24, 2009, after the completion of the football camp, payment has yet to be received.

**Management Response to Department Audit  
As Prepared by Detroit Public Schools,  
Office of the Auditor General**

**Department:** Office of Community Use of Schools  
**Department Head:** Felicia Venable-Akinbode

**Audit Report Date:** July 31, 2009  
**Response Date:** August 15, 2009

Audit Findings/Recommendations	Agree	Disagree	Management Response	Action Plan	Completion Date
<p>1 Three out of four events held at DPS facilities were unauthorized and two were issued permits by the Office of Community Use improperly</p>	X			The Office of Community Use of Schools will consistently enforce its policy and procedures.	N/A
<p>2 The Office does not consistently follow all of its procedures outlined in the manual. Specifically, the Office does not enforce its policies on requiring:</p> <ul style="list-style-type: none"> <li>• applications to be received 4 weeks prior to the event</li> <li>• payments received 10 days prior to the event</li> <li>• criminal background checks to be provided</li> </ul>		X	<p>The Office of Community Use enforces its policy of requiring applications to be submitted 4 weeks in advance and obtains payment at least 10 days in advance; however some exceptions are made on a case-by-case basis.</p> <p>The requirement for written clearance of any criminal violations is enforced for SES Providers per their contract with the District.</p>	The Office of Community Use of Schools will develop a strategic plan to gain increased compliance by schools and external users.	10/30/09



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<p>3 A permit was improperly issued for one of the events circumventing the entire approval process and none of the five events that occurred completed all the steps in the approval process</p>	X		<p>At the time most of the applications were submitted the administration was undergoing change. Due to reorganization within District, the Office of Community Use was unaware of the changes among the authorizing parties and in one instance approved use of the facility.</p>	<p>The Office of Community Use has been made aware of the authorizing agents within the schools and central offices.</p> <p>The Office of Community Use will follow its procedure for authorizing events as directed in FY 2008-09</p>	In-Progress
<p>4 The Office failed to collect the appropriate amount of fees for the five community events which reduced the amount of revenue it realized.</p>	X		<p>The Office of Community Use was not informed about three of the five events as identified in the audit report. Fees were assessed for events made known to the Office. Yet, there is still an outstanding account receivable.</p>	<p>The Office of Community Use of Schools will enforce its policy of requiring advance payment for use of District facilities.</p>	8/17/09

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Audit Findings/Recommendations	Agree	Disagree	Management Response	Action Plan	Completion Date
<p>5 If the Office of Community Use of Schools followed their procedures, we estimate that a total of \$3,090 in fee revenue should have been realized from the five events. However, only \$1,790 was actually charged for two events and \$1,300 that should have been assessed was not billed for events that occurred at DPS facilities.</p>		X	<p>The Office of Community Use collected fees \$1560 collected of the \$1790 in fees assessed.</p>	<p>The Office of Community Use will consider the Audit recommendation of assessing fees for use from two of the four events. It should be noted, one user denies using the facility on the specified dates.</p>	8/20/09
<p>6 DPS is exposed to significant liability risk because it is not consistently requiring sponsors to obtain property and general liability insurance for the events held at DPS facilities</p>		X	<p>The Office of Community Use of Schools enforces its requirement of General Liability Insurance of users with exception for meetings of adults in specified areas of a District facility.</p>	N/A	N/A

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Audit Findings/Recommendations	Agree	Disagree	Management Response	Action Plan	Completion Date
7 Recommendation: The Office of Community Use of Schools and Facilities Management and Auxiliary Services should ensure that all staff responsible for processing Community Use of Applications are trained on District Policy, as detailed in the Office of Community Use of Schools Policy Manual	X			The Office of Community Use of Schools will develop a training tool for staff.	9-15-09
8 Develop a checklist to use for processing applications for community use to help ensure all requirements are met.	X			A checklist will be developed and implemented.	8-19-09
9 Prepare a fee schedule as described in the Office of Community Use of Schools Policy Manual and have it published on the District's website	X			A meeting will be scheduled with the Office of Finance to review and approval proposed fees	9-14-09

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Audit Findings/Recommendations	Agree	Disagree	Management Response	Action Plan	Completion Date
<p>10 The Office of Community Use should bill the sponsors of the events held at Central High School June 15-25, 2009 and July 7<sup>th</sup> and 18<sup>th</sup>. In addition actions should be taken to collect on the use of DPS facilities by the Lomas Brown Football Camp.</p>	X		<p>The Office of Community Use of Schools will continue its attempt to collect fees from those who admit to having using the facility without following District protocol.</p>	<p>An invoice will be created for two (2) of the events and mailed to the users.</p>	8-18-09
<p>11 Considerations: Updating the Policy Manual to ensure instances where community use during instructional hours are considered and documented in the manual</p>	X		N/A	<p>The Office of Community Use will revise the language of its Policy/Procedure Manual to reflect the audit recommendation</p>	8-27-09

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12	X		<p>The Office of Community Use of Schools administrator is working with key departments to restructure Office processes/fees.</p> <p>The \$50.00 fee for profit agencies is in addition to total charges for facility use (page 16 of 19 of Manual).</p>	Develop a marketing plan for the Office of Community Use.	9-1-09

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<p>13 Including Legal and Risk Management as official signatories on the Community Use Application to ensure that a legal review and insurance assessment is part of the decision process</p>		X	<p>The Office of Risk Management established the insurance requirements as outlined in the Office of Community Use Procedural/Policy Manual.</p> <p>The approval process currently consists of the school administrator, Regional Superintendent and Chief of Public Safety.</p>	<p>The Office of Community Use of Schools will submit on an annual basis a request of Risk Management to review/modified/approve insurance parameters for Community Use external users.</p>	9-15-09
<p>14 Sending out notices to the Principals at the beginning of the school year to remind them of the Community Use Policy and the procedures necessary to obtain a user permit.</p>	X		N/A	<p>The Office of Community Use of Schools will develop an Annual Notification to send to School Administrators</p>	9-30-09

Our audit was performed in accordance with U.S. General Accounting Office Government Auditing Standards and Standards of the Institute of Internal Auditors.

This report is intended solely for management and should not be used for any other purpose. This restriction is not intended to limit the distribution of the report which is a matter of public record.

Odell W. Bailey, CIA  
Auditor General