



Audit of the Education Reimbursement Program

Tim Beirnes, Inspector General
Audit and Finance Committee
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Background

- The District provided \$1,757,973 in Education Reimbursement payments to employees between January 2009 and August 2019.
- Payments provide benefits to District employees who are seeking undergraduate and graduate degree programs.
- Employees reimbursed up to \$5,250 per calendar year, with a lifetime cap of \$35,000.
- Employees eligible for the program the day they start employment with the District.

Background

- **325 District employees received education reimbursements between January 2009 and August 2019.**
- **26 employees were actively using the program in 2019 at the time of this audit.**

Audit Objectives

- **Audit objectives primarily focused on determining whether tuition reimbursements are made in accordance with the District's policy and procedures.**
- **The audit also included assessing the value the program provides in preparing District employees to assume higher job responsibilities.**

Controls Could Be Strengthened

Controls over the Education Reimbursement Program could be strengthened:

- **Some required documents (Forms 0625 and 0626) were not on file for each of the payments tested.**
- **Some reimbursement requests did not include the required receipts and supporting documentation to show proof the course was paid for by the employee prior to reimbursement.**

Controls Could Be Strengthened



- Payments made for fees and materials which were in consistent throughout the program.
- Education Reimbursement Program policy and documented program procedures are vague, which allowed for many of the issues we noted during audit testing.
- Identified \$41,149 in questioned costs due to insufficient supporting documentation and inconsistencies in expenses approved for payments.

Questioned Reimbursement Payments

Education Reimbursement Program Questioned Payments Total Payments Reviewed \$209,390

Category	Amount Questioned	Percentage of Payments Reviewed
Insufficient Details in Supporting Documentation	\$23,472	11%
Inconsistent with Policies/Procedures	\$10,995	5%
File Lacked Supporting Documentation	\$6,682	4%
Total Questioned Payments	\$41,149	20%

Tracking Program Effectiveness



The Human Resources Bureau does not track or maintain records to show the effectiveness, or value, of the Education Reimbursement Program

Human Resources Bureau collecting and maintaining data on promotion rates and program completion rates would facilitate assessing the effectiveness of the program.

Tracking Program Effectiveness



Our analysis appeared to indicate that the Education Reimbursement Program is beneficial in preparing employees for positions requiring higher level skill sets.

We found that for 48 employees who received over \$5,000 in education reimbursements between 2009 and 2016, the promotion rate was nearly three times that of the District staff's overall promotion rate for that same period of time years.

Audit Recommendations

- Made four recommendations to improve the controls and accuracy of reimbursements in the program.
- Made one recommendation to consider developing a method of tracking the effectiveness and outcomes of program participation.
- Management concurred with all the recommendations.

Audit & Finance Committee Discussion



Discussion & Questions