

**Los Angeles Unified School District
Office of the Inspector General**

**Assessment of District Compliance
with Review and Approval Policies
for Contract Professional Timesheets
and Invoices: JG Management
Consultants, Inc.
Contract No. 440007489**

**OA 24-1444
March 25, 2025**

**Sue Stengel
Inspector General**





Los Angeles Unified School District

Office of the Inspector General

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March 25, 2025

Ms. Krisztina Tokes, Chief Facilities Executive
Facilities Services Division
Los Angeles Unified School District
333 S. Beaudry Avenue, 19th Floor Los Angeles, CA 90017

RE: Assessment of District's Compliance with Review and Approval Policies for Contract Professional Timesheets and Invoices - JG Management Consultants, Inc., Contract No. 4400007489

Dear Ms. Tokes:

This is the final report on our assessment of the District's review and approval of timesheets and invoices submitted by JG Management Consultants, Inc. under Contract No. 4400007489.

Please contact our office if you have any questions.

Sincerely,

Mark H. Pearson

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Mark H. Pearson, CPA, CFE, CIGA
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Sue Stengel, Esq., CIG
Inspector General

Attachment

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Professional Timesheets and Invoices
JG Management Consultants, Inc., Contract No. 4400007489**

EXECUTIVE SUMMARY

This audit evaluates whether the invoices submitted by JG Management Consultants, Inc. (JGMC) under Contract No. 4400007489¹ (Contract) with the Los Angeles Unified School District (District) were reviewed and approved in compliance with the District's established policies and procedures, CT-005 Standard Protocol for Validating Contract Professional Hours.² The purpose of the audit was to improve contractor oversight and accountability of the District's capital improvement program.

Conclusion

The audit found that JGMC invoices and timesheets were reviewed and approved by Facilities Services Division (FSD) management according to the District's policies and procedures.

INTRODUCTION

JG Management Consultants, Inc. (JGMC), established in 2002, is a consulting firm providing construction management services. On November 5, 2019, the Los Angeles Unified School District (District) awarded JGMC Contract No. 4400007489 to provide professional construction and project management services in support of the District's capital improvement program.

The Contract's original period spanned from December 1, 2019, to November 30, 2021, with an initial not-to-exceed (NTE) amount of \$5,000,000 and three one-year extension options. The Contract was subsequently extended through November 30, 2024, and the NTE amount increased to \$22,600,000. As of June 30, 2024, the cumulative expenditures under the contract total \$20,512,420.

JGMC provided the services of a total of 24 contract professionals (CPs) under the Contract for the duration of the audit period, which covered December 1, 2019, through June 30, 2024. The staffing categories of CPs appointed to the District included the following:

- CEQA Assistant Project Manager
- CEQA Project Manager
- Construction Project Engineer
- Design Manager
- Low Voltage Technician
- Owner Authorized Representative I
- Owner Authorized Representative II
- Project Development Manager
- Regional Construction Director
- Risk Management Consultant

¹ Microsoft Word - 1990018-4400007489 JG Management Consultants, Inc CM - Agreement.docx

² Microsoft Word - CT-005 Consultant Staff Work Hours Protocol - Revised1

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- Senior Construction Management Scheduling and Estimating
- Senior Design Manager
- Senior Project Manager II
- Senior Project Schedule Manager

These CPs operated on a staff-augmentation basis, with their daily work supervised and managed by the Facilities Services Division (FSD) personnel. The CPs' hours were recorded in the District's Consolidated On-line Information Nexus (COLIN). JGMC submitted monthly invoices to FSD based on these records and the contractual hourly billing rates. The CPs' assigned supervisors were responsible for validating and approving the CPs' timesheets, following the established policies and procedures.

SCOPE AND OBJECTIVE

The objective of our examination was to ensure that the invoices and timesheets submitted by JGMC were reviewed and approved according to the District's policies and procedures. The scope of the audit covered invoices submitted for services provided from December 2019 to June 2024.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS), issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

METHODOLOGY

We performed the following audit procedures to achieve the audit objectives:

1. Policy and Procedure Analysis:

- We reviewed FSD policies and procedures governing the validation and approval of CP timesheets.

2. Interviews:

- We conducted interviews with JGMC personnel to gain insights into their process for submitting invoices.
- We conducted interviews with FSD personnel to gain insights into the process for supervising CPs and validating their hours.

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3. Sample Selection:

- We selected a sample of 18 invoices and the corresponding 282 timesheets submitted under Contract No. 4400007489 for testing.

4. Invoice Review:

- **Invoice Approval:** We reviewed the approved invoices to determine they were approved by District employees.
- **Billing for Overtime/Weekend/Holiday Work:** We reviewed invoices to ensure that CPs did not bill for overtime work or for work performed on District holidays, weekends, or shutdown days, unless prior written approval from the Branch Director was obtained.

5. Timesheet Review:

- **CP's Signature Date:** We reviewed CP's signature date to make sure the timesheet was signed after the last workday of the billing month.
- **Timesheet Approval Signature:** We reviewed timesheet approval signature to determine that the approver was not from the same firm or a sub-consultant firm.
- **FSD Supervisor Approval:** We examined whether the timesheets were approved by the designated FSD supervisors, as required by the established protocols.

RESULTS OF AUDIT

Audit found that JGMC invoices and timesheets were properly documented and approved by FSD management.

1. Invoice Review:

- All invoices were properly approved by District employees.
- No instances of billing for overtime, holiday, weekend, or shutdown day work were found without prior written approval from the Branch Director.

Conclusion: Full compliance was observed with no exceptions.

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2. Timesheet Review:

- CP timesheets were signed after the last workday of the billing month, as required.
- Approval signatures were from individuals independent of the CP's firm or sub-consultants, in line with established procedures.
- All timesheets were reviewed and approved by the designated FSD supervisors, adhering to established protocols.

Conclusion: Full compliance was observed with no exceptions.

AUDIT TEAM

This audit was performed by the following auditors:

Stella Lai, Audit Manager
Shelly Guo, Principal Auditor
Jeanette Polynice, Senior Auditor

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The Office of the Inspector General has a hotline for you to call. You can also email or write to us.

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The Board approved the Whistleblower Protection Policy on February 12, 2002. This policy protects LAUSD employees who make allegations of improper governmental activity from retaliation or reprisal. To ensure the reporting of any activity that threatens the efficient administration of the LAUSD reports that disclose improper governmental activities shall be kept confidential.

General Contact Information

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