

**MEASURE N 2016-17 AUDIT  
RECOMMENDATIONS & CORRECTIVE ACTION**

<b>Auditor Recommendations</b>	<b>Staff Corrective Action</b>
<p>We recommend the District to develop written policies regarding appropriate use of Measure N funds, and document retention to support the audit, so that each site has clear and consistent guidelines to follow.</p>	<ul style="list-style-type: none"> <li>● Measure N Permissible Expense document was created in December 2016 and was provided to all Measure N schools <ul style="list-style-type: none"> <li>○ Document was provided again with the 2018-19 SPSA</li> </ul> </li> <li>● Measure N Permissible Expense document includes definition of supplanting vs. supplement</li> <li>● Measure N team is currently finalizing revised administrative regulations to include this information</li> <li>● Measure N Budget Proper Justification document was provided to schools that provides information on the proper information needed for Measure N budgets</li> <li>● Measure N Guide has been finalized for all schools</li> </ul>
<p>We also recommend the District to appoint an individual responsible for overseeing the use of Measure N funds and monitoring the expenditures by approving contracts/purchase orders and personnel positions prior to incurring the expense.</p>	<ul style="list-style-type: none"> <li>● Measure N staff have reviewed OUSD school use of funds with individual Escape requests, contracts, extended contracts, ET/OT, field trip request, etc. for consistently review and approval</li> <li>● Measure N staff has reviewed all Measure N budgets with schools and principal supervisors and provided corrective action to schools to ensure alignment before final approval</li> <li>● Creation of Program Manager of Measure N Operations to focus and oversee this</li> </ul>
<p>Similar to the recommendation for procedures number 2, ensuring an expenditure is supplemental should be part of the standard approval process prior to incurring an expense or entering into a contract.</p>	<ul style="list-style-type: none"> <li>● Measure N staff have reviewed OUSD district schools use of funds with individual Escape requests, contracts, extended contracts, ET/OT, field trip request, etc. for consistently review and approval</li> <li>● Measure N staff has reviewed all Measure N budgets with schools and principal supervisors and provided corrective action to schools to ensure alignment before final approval</li> <li>● Creation of Program Manager of Measure N Operations to focus and oversee this</li> </ul>
<p>The District should also develop written procedures so that each site has clear and consistent guidelines to follow.</p>	<ul style="list-style-type: none"> <li>● Measure N Permissible Expense document was created in December 2016 and was provided to all Measure N schools <ul style="list-style-type: none"> <li>○ Document was provided again with the 2018-19 SPSA</li> </ul> </li> <li>● Measure N Permissible Expense document includes definition of supplanting vs. supplement</li> </ul>

Measure N Commission Recommendations	Staff Corrective Action
<p>1. Publish and distribute written standard policies and procedures regarding the appropriate use of, including definition of supplement versus supplant, and proper expense documentation of Measure N funds</p>	<ul style="list-style-type: none"> <li>● Measure N Permissible Expense document was created in December 2016 and was provided to all Measure N schools <ul style="list-style-type: none"> <li>○ Document was provided again with the 2018-19 SPSA</li> </ul> </li> <li>● Measure N Permissible Expense document includes definition of supplanting vs. supplement</li> <li>● Measure N Guide includes information regarding proper documentation</li> <li>● Measure N Budget Proper Justification document was provided to schools that provides information on the proper information needed for Measure N budgets</li> <li>● Measure N Permissible Expense documents provides information on allowable and non-allowable expenses, definition of supplement vs. supplant, and required justification</li> </ul>
<p>2. Provide ongoing training and support to all district and charter high school principals and business operations employees on the appropriate use of and proper expense documentation of Measure N funds</p>	<ul style="list-style-type: none"> <li>● Measure N staff provided Measure N training in the Fall of 2017 specifically to OUSD school site clerical and business managers</li> <li>● Over the summer, Measure N staff revised training and provided a calendar of mandatory trainings for all schools to attend</li> <li>● Training includes overview of audit and proper documentation processes</li> </ul>
<p>3. Designate an individual responsible for overseeing the use of all Measure N funds, and monitoring expenditure by approving personnel positions, contracts, and purchase order prior to incurring actual expense</p>	<ul style="list-style-type: none"> <li>● Measure N staff have reviewed OUSD school use of funds with individual Escape requests, contracts, extended contracts, ET/OT, field trip request, etc. for consistently review and approval</li> <li>● Measure N staff has reviewed all Measure N budgets with schools and principal supervisors and provided corrective action to schools to ensure alignment before final approval</li> <li>● Creation of Program Manager of Measure N Operations to focus and oversee this</li> </ul>
<p>4. Implement the use of cost reimbursement contract agreements with each independent charter school to facilitate reasonable and necessary monitoring of charter schools' appropriate use of and proper expense documentation of Measure N funds</p>	<ul style="list-style-type: none"> <li>● Oakland Unity has been placed on different disbursement plan as part of probationary status</li> <li>● Measure N staff is meeting with Fiscal and Legal to finalize Charter School Measure N MOU</li> <li>● New process will be implemented with charters submitting quarterly reports and supporting documentation</li> </ul>
<p>5. Implement the use of a chart of accounts and financial statements that the Measure N Commission and an independent auditor can readily identify functional uses of Measure N funds by school and by administration</p>	<ul style="list-style-type: none"> <li>● Measure N staff will revise administrative regulations to articulate this requirement of use of chart of accounts and financial statements</li> </ul>