



**OAKLAND UNIFIED
SCHOOL DISTRICT**

Community Schools, Thriving Students

2013-14 Audit Report

Report to Audit Committee and the Board of Education



February 1, 10 2016

Audit Status Report

- Thanks to the tireless efforts of the OUSD and VTD staff, the 2013-14 Audit was completed just 5 months after the prior audit.
- In VTD's opinion, **the financial statements represent fairly, in all material respects, the financial position of the District**, with the exception of the omission of the Associated Student Bond (ASB) funds.
- The number of findings has dropped from 13 in the 2012-13 audit to **10 in 2013-14**.
- The questioned costs have dropped from \$400 K to **\$50 K**.
- The District is on track to be caught up with its audits by the end of June 2016.

Issues Identified in Audit

- The “qualified” opinion is due to Associated Student Body (ASB) funds (accounts held at school sites for student activities) not auditable.
 - Staff has started working with principals and developing procedures so that ASB funds will be auditable by FY16-17.
- The findings with financial implications are:
 - School site attendance records not maintained - **\$48,491**
 - English Learner designations were not correct - **\$2,275**

Summary of Findings

- Of 10 findings, 8 were repeats from prior year because the 2012-13 audit was not released until after the fiscal year 2013-14 had ended.

Finding Information		Financial Impact
Section	# of Findings	Questioned Cost
Financial	2	\$ -
Federal	4	\$48,491
State	4	\$2,271
Totals	10	\$50,762

Summary of Findings - Financial

FINANCIAL (2)

Finding #	Finding	Prior Year?	Potential Cost	District Response
2014-1	Financial statement presentation of fiduciary funds- ASB - Associated Student Body Funds not included in financial statements)	2013 -1	<i>No financial impact</i>	The District has a plan in place to bring ASB accounts into compliance so that the 2016-17 audit will include ASB funds.
2014-2	Financial statement presentation of fiduciary funds, Fund 76 Reconciliation. The revolving account used for all payroll transactions have not been reconciled in a timely manner.		<i>No financial impact</i>	The District has revised procedures . An accounting manager will review the reconciliations monthly.
Total:	2	1	0	

Summary of Findings - Federal

FEDERAL (4)

Finding #	Finding	Prior Year?	Potential Cost	District Response
2014-3	Noncompliance with equipment records management. District did not complete an inventory of federally funded equipment valued between \$500-\$5000.	2013-2	<i>No financial impact</i>	The District is still getting caught up on inventory tracking, and expects to be up to date by the end of 2015-16.
2014-4	Noncompliance with procurement, suspension and debarment of vendors - District updated policy in 2011-12, but had not completed check of all existing vendors.	2013-3	<i>No financial impact</i>	Procedures were established in 2012-13 to verify that vendors are not on watch list; will be fully implemented in 2015-16.
2014-5	Transformation Model Implementation - SIG - School Improvement Grant Program – Transformation model not implemented within required timeframe.	2013-7	<i>No financial impact</i>	The District has implemented other programs that meet the reform strategies identified in SIG schools.
2014-6	Employee Time and Effort Documentation discrepancies. Supporting documentation was not provided for 4 of the 60 sampled employees.	2013-8	<i>No financial impact</i>	The District enhanced its monitoring procedures in 2014-15, including collection and quality review by Office of Accountability Partners.
Total:	4	4	\$0	

Summary of Findings - State

STATE (4)				
Finding #	Finding	Prior Year?	Potential Cost	District Response
2014-7	After School Education and Safety (ASES) Program – student attendance records not properly maintained. Sign in sheets did not support the reported attendance and in some instances were poorly maintained.	2013-11	<i>No financial impact</i>	New attendance reporting procedures were put into place in 2014-15, with documentation and training, and oversight by a compliance and operations officer.
2014-8	Attendance records maintenance. Attendance reports were not accurate or complete at 10 of the schools tested.	2013-12	\$48,491	New procedures, a support team that visits all schools, mandatory training, and other steps were taken in 2013-14, improving this finding from the prior year and building infrastructure for this work going forward.
2014-9	School Accountability Report Card (SARC) reporting inaccuracies. SARCs did not include annual facility inspections and inconsistent information on resolution of complaints.	2013-13	<i>No financial impact</i>	Error in the process for facilities information was identified and resolved for 2014-15.
2014-10	Unduplicated Local Control Funding Formula Pupil Counts - 11 students were incorrectly designated English Learners (EL) in CalPADS.		\$2,271	Data collection and entry into CALPADS will be reviewed internally prior to submission, starting with the 2015-16 submission.
Total:	3	3	\$50,762	



EVERY STUDENT THRIVES!



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