

Oakland Unified School District

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Meeting Minutes Long - Final

Monday, June 6, 2016

6:00 PM

**KDOL TV Studio, B-237, Met West High School Entrance, 314 East 10th Street,
Oakland, CA 94606-2291**

Audit Committee

Dan Lindheim, Chair
Gregory Redmond, Vice Chair
Beverly Hansen, Secretary
Members: Edward Berne, Frank Tsai

A. Call to Order

Chairperson Dan Lindheim called the meeting to order at 6:01 P.M.

B. Roll Call

Present 5 - Member Frank Tsai
Member Edward Berne
Secretary Beverly Hansen
Vice Chairperson Gregory Redmond
Chairperson Dan Lindheim

C. Adoption of Committee Minutes

 [16-1380](#) Minutes - Audit Committee - May 2, 2016

Approval by the Audit Committee of its Regular Meeting Minutes of May 2, 2016.

Attachments: [16-1380 Minutes - Audit Committee - May 2, 2016](#)

A motion was made by Member Tsai, seconded by Vice Chairperson Redmond that the Minutes of the Committee Meeting of May 2, 2016 be Adopted. The motion carried by the following vote.

Aye: 5 - Member Frank Tsai
Member Edward Berne
Secretary Beverly Hansen
Vice Chairperson Gregory Redmond
Chairperson Dan Lindheim

Non-voting: 0

Enactment No: 16-0807

D. Speaker Request Cards/Modification(s) To Agenda

None.

E. Unfinished Business

[16-0529](#)**Report - District Audit - Year Ending June 30, 2015**

Presentation to the Audit Committee of a Report on District Audit - In Progress - Fiscal Year 2014-2015.

Attachments: [16-0529 Report - District Audit - Year Ending June 30, 2015](#)

Daniel Menyon, District Controller, made the staff presentation.

Menyon said the District was issued the first draft of the 2014-2015 Audit Report last week. Staff responded to the findings and put the corrective actions in place for the coming fiscal year. There were 12 audit findings (10 findings were repeat findings and two were new findings).

Menyon said the two new Findings are:

Finding 1 - Highly qualified teachers with a focus on internal controls of teacher credentials, recruitment, and training. Documentation was not available for test samples and auditors were not satisfied with internal controls in place. Financial impact of penalty is \$24,000.

Finding 2 - Independent Study Program, school site records missing. Financial impact of penalty is \$74.00.

Presentation/Acknowledgment Made

F. New Business

**16-1000****Report - District's Whistle Blower Protection or Fraud Hotline - Chief Financial Officer**

A presentation to the Audit Committee by the Chief Financial Officer, or designee, regarding the District's Whistle Blower Protection for employees or Fraud Hotline.

Attachments: [16-1000 Report - District's Whistle Blower Protection or Fraud Hotline - Chief Financial Officer](#)

Ruth Alahydoian, District Chief Financial Officer, made the staff presentation.

Alahydoian stated:

The District currently does not have a Fraud Hotline but provided ways in which the District can identify fraud: External Auditors, the Department of Education, IRS, CalPers, and CalStrs perform periodic audits of District records.

The District has an Ombudsperson where official complaints [by parents and others] are filed and these complaints require an official response. Reports to the Board of Education are made quarterly by the Ombudsperson.

The District is proposing to look at other districts that have a Fraud Hotline to learn who they are working with, why they started a Fraud Hotline, and the impact and outcome they're experiencing. The cost and funding of an external vendor will be identified and a recommendation on how to move forward will be presented to the Audit Committee, the Superintendent and the Board. If the District decides to move forward, procurement will start January 2017.

Follow-up: Add this item to the Committee's Work Plan to receive progress reports.

Presentation/Acknowledgment Made

G. Public Comments on All Non-Agenda Items Within the Subject Matter Jurisdiction of the Committee

16-1381

Public Comments on All Non-Agenda Items Within the Subject Matter Jurisdiction of the Committee - June 6, 2016

Public Comments on All Non-Agenda Items Within the Subject Matter Jurisdiction of the Committee - June 6, 2016.

There were no Public Speakers.

Comments from Committee Members.

Committee Member Berne said it is wrong for an operation this size not to have an Internal Auditor.

Chairperson Lindheim suggested a Closed Session joint meeting with the the Measures A, B, & J Independent Citizens' School Facilities Bond Oversight Committee to discuss detecting and preventing fraud in the District.

Director Shanthi Gonzales, Board Liaison to the Audit Committee, thanked the Committee for their service to the District. She said a Whistleblower Hotline is a great idea. Said she is in agreement with the Committee that the District should retain the Internal Auditor position, but the position is scheduled to be eliminated in December 2016.

H. Introduction of New Legislative Matter

There was no Introduction of New Legislative Matter by a Committee Member.

I. Adjournment

Chairperson Lindheim adjourned the meeting at 6:46 P.M.

Prepared By: _____

Approved By: _____