

# Oakland Unified School District

Board of Education  
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## **Meeting Minutes Long - Final**

**Monday, August 1, 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***

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អ្នកណាដែលត្រូវការសេវាបកប្រែភាសាដោយផ្ទាល់មាត់ ឬជាលាយលក្ខណ៍អក្សរ ឬត្រូវការការជួយសម្រេចសម្រួលយ៉ាងសមរម្យមួយ ដើម្បីចូលរួមក្នុងកិច្ចប្រជុំសាធារណៈ ត្រូវផ្តល់ដំណឹងទៅកាន់ទីការិយាល័យនៃក្រុមប្រឹក្សាអប់រំ ឱ្យបានចិតសិចពី (72) ម៉ោងមុនកិច្ចប្រជុំ តាមរយៈទូរស័ព្ទលេខ (510) 879-8199 ឬតាមរយៈអ៊ីមែល boe@ousd.org ឬទូរស័ព្ទ eTTY/TDD លេខ (510) 879-2300 ឬទូរសារលេខ (510) 879-2299។

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## A. Call to Order

*Chairperson Dan Lindheim called the meeting to order at 6:02 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

 [16-1730](#) **Minutes - Audit Committee - June 6, 2016**

Approval by the Audit Committee of its Regular Meeting Minutes of June 6, 2016.

**Attachments:** [16-1730 Minutes - Audit Committee - June 6, 2016](#)

**A motion was made by Member Berne, seconded by Member Tsai, that the Minutes of the August 1, 2016 Committee Meeting 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: 16-1278

## 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 the District's Annual Financial Report ending June 30, 2015.

**Attachments:** [16-0529 Presentation - Report - District Audit - Year Ending June 30, 2015](#)  
[16-0529 Report - District Audit - Year Ending June 30, 2015 \(Board of Education - August 10, 2016\)](#)

*Nathan Edelman of Varinek, Trine, Day & Company (VTD) made the presentation of the 2014-2015 Financial Audit. Edelman used a Powerpoint Presentation covering the following topics:*

*The District's Financial Statements*  
*The Auditor's Opinion*  
*Fund Balance/Net Position*  
*General Fund Balances*  
*Aggregate Net Pension Liability*  
*Findings*  
*State Controller Quality Control Review Process*  
*Look Ahead*

*Comments from Committee Members*

*Chairperson Lindheim noted that the Auditor made some procedural recommendations and wanted to know how the District plans to ensure the recommendations are implemented?*

*Edelman's response:*

- *Financial Services has weekly department meetings to discuss the status of the audit findings.*
- *Meetings are held with staff throughout the District that are responsible for implementing the Audit findings.*

*Recommendation: Someone should be responsible for the implementation of the prior year's findings.*

*Daniel Menyon, Controller, said some of the Audit findings are being cleared with the California Department of Education (CDE); said he will provide the Committee with a status of the findings*

**Discussed**

## **F. New Business**

### **16-1731**

#### **Joint Meeting - Audit Committee and the Measures A, B, & J Independent Citizens' School Facilities Bond Oversight Committee (Proposed)**

A discussion by the Audit Committee proposing a joint meeting with the Measures A, B, & J Independent Citizens' School Facilities Bond Oversight Committee for the purpose of Yano and Company presenting certain Audits.

*Chairperson Lindheim led the discussion regarding the possibility of holding a joint committee meeting with other Oversight Committees, particularly Measures A, B, & J Independent Citizens' School Facilities Bond Oversight Committee. Lindheim asked Committee Members to comment on the matter.*

*Committee Member Berne suggested contacting the Chair of the Measures A, B, & J Independent Citizens' School Facilities Bond Oversight Committees explaining the Audit Committee's reason for wanting to convene a joint meeting. Said when Michael Moore, Procurement Officer, made a presentation to the Committee, Moore indicated most of the non-routine purchases were those using Facility Bond Funds. Berne said he will compose the letter.*

*Lindheim said the issue for him is what the Measures A, B, & J Independent Citizens' School Facilities Bond Oversight Committee's focus should be when looking at their financial audit, what the Audit Committee should be looking for in financial audits, and should both Committees be doing this work together?*

*Committee Member Tsai noted he once served on Measures A, B, & J Independent*

*Citizens' School Facilities Bond Oversight Committee and thinks a joint meeting between the two Committees will be useful.*

*Chairperson Lindheim requested this legislative matter remain on future agendas for further discussion.*

**Discussed**

**16-1741**

**Report - District Audit - Year Ending June 30, 2016**

Presentation to the Audit Committee of Progress Report on preparation of the District's Annual Financial Report ending June 30, 2016.

*Staff presentation by Daniel Menyon, Controller.*

*Auditors have started the 2015-2016 Audit looking at internal controls.*

*Target dates for the District's 2015-2016 Financial Audit:*

*September 5th - Tentative plan to finish the Compliance Audit*

*October 10th - District to provide a trial balance to the Auditor*

*October 24th - Audit process begins*

*November 11th - Complete the Audit*

*November 18th - First draft of the Audit report*

*Chairperson Lindheim offered the Committee assistance by drafting a letter [if necessary] to the Financial Staff asking them to make a presentation to the Audit Committee on how they are implementing the Audit findings in Audit Report.*

*Follow-up: Shelia White is scheduled to make a presentation regarding attendance at the October Committee Meeting.*

**Discussed**

**16-1757**

**Internal Auditor - Function/Position**

Discussion by the Audit Committee of the function of an Internal Auditor and possible adoption of a recommendation to the Board of Education regarding said function/position.

*Chairperson Dan Lindheim led the discussion on the function and value of the Internal Auditor position in the District.*

*Chairperson Lindheim stated one of the charges of the Audit Committee is to ensure District internal procedures are being implemented, including issues of waste, fraud, and abuse. He said there is an issue whether the District needs an Internal Auditor and the Internal Auditor function. The current District budget does not include an allocation for the Internal Auditor position and there is some dissatisfaction among Audit Committee Members that this position does not exist. Lindheim asked Committee Members to comment on the matter.*

*Committee Member Hansen thinks a letter inviting staff to make a presentation to the Audit Committee describing their function is a good idea.*

*Vice Chair Redmond said the role of the Internal Auditor is to provide the Audit Committee with independent and objective assurances that District policy and procedures are being*

adhered to. He said they can't do the work and be independent, but can look at the details.

Committee Member Tsai suggested taking a look at what other school districts are doing regarding their Internal Auditor function.

Committee Member Berne wanted to know how can the Audit Committee get District Management and the Board of Education to provide the resources needed to fund the position?

Chairperson Lindheim said you build an argument and convince people by stating the functions that need to be achieved, those that are not being achieved, and that is why the position is needed.

Nathan Edelman, Auditor, said there is value in an Internal Auditor. Many of the things beyond the scope of the Audit an Internal Auditor can go to the different departments and review documentation and establish internal controls. This function helps to strengthen internal controls throughout the District.

#### **Discussed**

### **16-1759**

#### **Potential Establishment of a District Whistleblower Program**

Discussion by the Audit Committee of the prospective establishment of a District Whistleblower Program and possible adoption of a recommendation to the Board of Education regarding said program.

Chairperson Lindheim led the discussion on the District's Whistleblower Program

Committee Member Berne asked if employees knew what to do if they see mismanagement, fraud, waste, and abuse? And if so, who should they report it to?

Jackie Minor, General Counsel Emeritus, said all school districts in the State of California have a Ombudsperson function that's part of the Uniform Complaint Process. The process is advertised on the District's Website, included in the District's Parent Guide, and a quarterly Uniform Complaints Report is made to the Board. The District does not have a Whistleblower 800 Number outside of the Uniform Complaint Process available to employees and members of the public.

Ruth Alahydoian said the Ombudsperson will make a presentation to the Committee at the September 12th Committee Meeting regarding quarterly reporting to the Board. The report will include the volume of the complaints he receives and how he responds. Alahydoian said she will look at what other districts do, other Whistleblower Programs, and what that looks like.

Committee Member Berne asked about the Confidentiality process and what that looks like?

Chairperson Lindheim requested this legislative matter remain on future agendas for further discussion.

#### **Discussed**

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

[16-1735](#)

**Public Comments on All Non-Agenda Items Within the Subject Matter Jurisdiction of the Committee - August 1, 2016**

Public Comments on All Non-Agenda Items Within the Subject Matter Jurisdiction of the Committee - August 1, 2016.

*None.*

**H. Introduction of New Legislative Matter**

*None.*

**I. Adjournment**

*Chairperson Lindheim adjourned the meeting at 7:34 P.M.*

*The next Committee Meeting is September 12th at 6:00 P.M.*

Prepared By: \_\_\_\_\_

Approved By: \_\_\_\_\_