

Audit Committee Audit Findings Tracker - August 2022

Audit Year							2022	Audit Finding Description	Views of Responsible Officials Planned Corrective Action Summary 2022	Responsible parties, departments and/or assigned director	Additional mechanisms, rules, procedures implemented to ensure integrity, accountability and prevent fraud and/or additions to monitoring process	2020-21 Corrective Action Form	2021-22 State Controller Office Response
2016	2017	2018	2019	2020	2021								
x	x	x	x	x	X	R 2021-001	2020-001 Associated Student Body (ASB) Accounts auditable summary lacking and therefore ASB accounts are not included in the financial accounts. Material weakness in internal control.	ASB Works, an ASB accounting system, is being rolled out and training scheduled for February 2021.	Ryan Nguyen, Controller All Principals with ASB Accounts	The Business Services Department has and will continue to provide training for all sites that have and are considering ASB Accounts. Monthly reconciliations and documentation.			
		x	x	x	X	R 2021-002	2020-002 Documentation to support payroll reported to pension providers lacking in 67 out of total sample of 89. Significant deficiency in internal control.	A designated area of focus by district management. Resolution requires both systems changes and procedural changes followed by training.	Nicole Caldwell, Director Payroll				
		x	x	x	X	R 2021-003	2020-003 Vacation Reserves - documentation to verify vacation usage lacking which impacts accrued vacation on separation which could lead to eventual payouts in excess of what was earned. Material weakness in internal control.	Leadership team is revising procedures.	Lisa Grant-Dawson, Business Services, Jenine Lindsey, Labor Relations, & Tara Gard, Human Resources	The District is aligning its practices to the Contractual Bargaining Agreements and working with Labor Relations, Human Resources, and Bargaining Unit Leadership.			
x		x	x	x			2020-004 Documentation to support vendor selection is pursuant to District policy lacking. Significant deficiency in internal control.	District is developing new procedures which may result in recommendation to board for revised purchasing policies.	Kimberley Raney, Director Purchasing, Transportation and Warehouse, Ryan Nguyen, Controller and Lisa Grant-Dawson				
		x	x	x	X	R 2021-005	2020-005 Health Benefits Governance Board (HBGB) formula used to calculate the District's obligation to fund health and welfare benefits lacks clarity and differing interpretations result in substantially different outcomes. Material weakness in internal control.	HBGB negotiations in progress.	Lisa Grant-Dawson, Business Services, Jenine Lindsey, Labor Relations, & Tara Gard, Human Resources, Josh Daniels, General Counsel				
			x	x	X	R 2021-006	2020-006, 2019-007 Audit adjustments. 2019 Health and Welfare benefits were incorrectly charged resulting in an audit adjustment. 2020 Building Fund expense charged to current year due to late receipt of invoice should have been recorded in prior year in accordance with generally accepted accounting principals (GAAP). Significant deficiency in internal control.	Accounting controls and procedures will be part of training.	Corrected				
x	x	x	x	x			2020-007 Documentation required to support employee time allocation for federal programs is insufficient. Material weakness in internal control.	Procedure implementation began January 2021.	Lisa Spielman, Director Strategic Resource Planning	Implemented and in progress			
				x			2020-008 Evidence that vendors for child nutrition and food service programs were selected according to Uniform Guidance is lacking. Material weakness in internal control.	Procedures being centralized under Director of Transportation and Purchasing.	Preston Thomas, Chief Systems & Services Officer & Kimberly Raney, Director Purchasing, Transportation and Warehouse				
	x	x		x			2020-009 Students incorrectly identified as qualifying for free or reduced price meals. Material weakness in internal control.	Technology staff to work with child nutrition staff to ensure documentation is complete, reviewed and reconciled.	Lisa Grant-Dawson, Preston Thomas, and Susan Beltz, Director of Technology				
x	x	x		x	X	R 2021-007	2020-010 Program attendance for afterschool 21st Century grant insignificantly overstated (2020), not accurate (2018), poorly maintained (2017). Significant deficiency in internal control.	Federal and State compliance department to develop procedures.	Martha Pena, Coordinator After School Program				
				x			2020-011 Funds spent on early intervention services for special education should be tracked separately from other special education services. Material weakness in internal control.	TBD	Jennifer Blake				
	x	x	x	x	X	R 2021-008	2020-012 Average daily attendance (ADA) would have been overstated but for an audit adjustment. There is a known glitch in the attendance system that requires a technology fix. There are policies in place to manually correct these errors, but processes and policies to ensure that the corrections are made at secondary sites need to be enforced.	Policies and procedures will be revised as identified.	Lisa Grant-Dawson, Preston Thomas, Susan Beltz and Ryan Nguyen				
x		x	x	x			2020-013 School accountability report card - failure to adequately track/publish complaints.	Central office staff are developing procedures.	Lisa Grant-Dawson				
				x			2020-014 School accountability report card - failure to provide an adequate facility inspection tool or equivalent to document conditions reported in facilities for 11 out of 18 sites sampled.	Identified by district as a gap in assignment and will take corrective action.	Lisa Grant-Dawson				
x	x	x	x	x			2020-015 Unduplicated local control funding formula (LCFF) pupil count audit sample incorrectly classified one English learner (EL) and two free or reduced price meal (FRPM), one EL (2019) and FRPM (2018). Internal control process has inadequate monitoring.	District to review assignments and data validation procedures.	Lisa Grant-Dawson, Preston Thomas, and Susan Beltz, Director of Technology				

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x	x	x	x	x	X	R 2021-001	2020-001 Associated Student Body (ASB) Accounts auditable summary lacking and therefore ASB accounts are not included in the financial accounts. Material weakness in internal control.	ASB Works, an ASB accounting system, is being rolled out and training scheduled for February 2021.	Ryan Nguyen, Controller All Principals with ASB Accounts	The Business Services Department has and will continue to provide training for all sites that have and are considering ASB Accounts. Monthly reconciliations and documentation.			
					X	R 2020-001	2021-001 A material weakness in internal control over financial reporting – The District cannot provide documented evidence that all student body activity is captured within its accounting records. Furthermore, the District is developing the controls to ensure that student activity funds are expended for allowable activities and accordingly were not auditable for the year ended June 30, 2021.						
					X	R 2020-002	2021-002 - A material weakness in internal control over financial reporting – The District could not supply documentation to satisfy us that census information and payroll amounts reported to pension providers are complete and accurate. We analytically recalculated these expenses, noting that the payment made to pension providers during the year appears correctly recorded in the accounting records of the District. However, since we could not verify if the underlying data on which those charges are based is complete and accurate, we cannot confirm if the eventual payments are for the correct amounts.						
					X	R 2020-003	2021-003 - A material weakness in internal control over financial reporting – The District was unable to supply documentation to prove that vacation usage is accurately recorded in the payroll system and that balances do not exceed the maximum allowed per District policy. Furthermore, we noted that the controls over the calculation of accrued vacation on separation do not include documentary evidence of an independent reviewer. The District verbally informed us that someone independent of the preparer reviews each calculation. However, because evidence of the control is not documented, we consider this to be evidence of a material weakness. In substantive testing of general ledger account balances, the reported payroll expenditures are fairly stated based on the amounts paid upon separation. However, we cannot conclude if the District has a complete and accurate accounting of vacation balances on which to base payments upon separation.						
					X	New	2021-004 Payroll Internal Control Process, Vacation Payments A material weakness in internal control over financial reporting – The District was able to pay \$7 million to employees for vacation accumulated; however, it is unable to assert that the amounts paid were actually due to the employees.						

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x	x	x	x	x	X	R 2021-001	2020-001 Associated Student Body (ASB) Accounts auditable summary lacking and therefore ASB accounts are not included in the financial accounts. Material weakness in internal control.	ASB Works, an ASB accounting system, is being rolled out and training scheduled for February 2021.	Ryan Nguyen, Controller All Principals with ASB Accounts	The Business Services Department has and will continue to provide training for all sites that have and are considering ASB Accounts. Monthly reconciliations and documentation.			
					X	R 2020-005	2021-005 - A material weakness in internal control over financial reporting The formula to calculate the District's health and welfare obligations per the HBGB agreement is unclear and has been interpreted differently with substantially varying outcomes. Specifically, the part of the formula that reads "...take the FTE from the total of all authorized full-time equivalent positions covered by this Agreement...as outlined in the Position Control Report as of October 31..." is not clear. Standard usage of the PCR is for budgeting purposes, subject to estimation risk and uncertainty.						
					X	R 2020-006	2021-006 A material weakness in internal control over financial reporting – Audit adjustments was necessary for the financial statements to be presented to conform with generally accepted accounting principles.						
					X	R 2020-010	2021-007 - Twenty-First Century Attendance Reporting There was a material weakness in internal control over compliance because attendance reported to the CDE was incorrect.						
					R 2020-012	R 2020-012	2021-008 - If not for audit adjustments, reported attendance, and by extension, state funding that is based on ADA would have been overstated. Aeries defaults students as present unless specially marked absent by the classroom teacher. The District's internal control process requires site clerks to verify that a "single period" attendance is correct. We identified instances where the verification occurred, but the necessary revisions to the Aeries attendance records did not happen. Furthermore, various designations are used to record when students are absent because of, for example, illness, vacation, field trip, unexcused. We identified instances where students were counted as "present" when multiple absence codes were used on a single day.						
					X	2021-009	2021-009 Teacher Certification and Missignments - From a sample of 100, we identified two possible instances of noncompliance. One sample was identified with an attempted transfer out of state credential but not valid currently, and the last sample was identified showing no credential.						
					X	R 2020-013	Audit Finding 2021-010 School Accountability Report Card - The District did not provide us with the quarterly summaries described in the criteria paragraph.						
9	12	14	13	15	10								