

Oakland Unified School District

Board of Education
1000 Broadway, Suite 680
Oakland, CA 94607-4099
(510) 879-8199 Voice
(510) 879-2299 eFax
(510) 879-2300 eTTY/TDD
boe@ousd.org E-Mail



ACCESSIBILITY OF AGENDA AND AGENDA MATERIALS

Agenda and agenda materials, if any, associated with this meeting are accessible on the Board of Education's World Wide Web Site at <http://www.ousd.k12.ca.us> or from any computer terminal in the Offices of the Board of Education and Superintendent at the above-stated address.

AMERICANS WITH DISABILITIES ACT COMPLIANCE

Individuals requiring a reasonable accommodation to participate in meetings other than handicapped access, should notify the Office of the Board of Education seventy-two (72) hours prior to the meeting at either (510)879-8199(VM); or boe@ousd.k12.ca.us (E-Mail); or (510) 879-2300 (eTTY/TDD); or (510) 879-2299 (eFax).

Meeting Minutes Long - Final

Monday, April 6, 2015

6:00 PM

**KDOL TV Studio, B-213, Met West High School Entrance, 314 East 10th Street,
Oakland, CA 94606-2291**

Audit Committee

Dan Lindheim, Gregory Redmond, Beverly Hansen, Edward Berne, Rose Sutton

A. Call to Order

Edgar Rakestraw, Jr., Executive Assistant, Board of Education, called the meeting to order at 6:19 P.M. Mr. Rakestraw stated that this being the Organizational Meeting of the Committee, currently w/o officers, he will preside until election of first officer present.

B. Roll Call

Present 4 - Member Edward Berne
 Vice Chairperson Gregory Redmond
 Secretary Beverly Hansen
 Member Rose Sutton
Absent 1 - Chairperson Dan Lindheim

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

None.

D. Election of Audit Committee Officers - 2015 Term

Edgar Rakestraw, Executive Assistant to the Board of Education, explained the roles of the Committee Officers being elected at today's Committee Meeting.

15-0694 **Nomination(s), Chair, Audit Committee**

Acceptance of Nomination(s) from the membership for the position of Chair, Audit Committee - 2015 Term.

Mr. Rakestraw opened the nominations for the Office of Committee Chairperson.

Gregory Redmond nominated Dan Lindheim as Committee Chair. There were no other nominations. Mr. Rakestraw closed the nominations.

15-0695 **Election of Chair, Audit Committee - 2015 Term**

Shall Dan Lindheim be elected Chair, Audit Committee - 2015 Term?

Election of Committee Chair. Mr. Rakestraw asked if any committee members wished to speak to Mr. Lindheim's qualifications for the position of Committee Chair.

Gregory Redmond said he has known Mr. Lindheim for the past three years. He said Mr. Lindheim has a lot of experience on Audit Committee functions and thinks this Committee will do well under his leadership

Mr. Rakestraw, thereafter, called the question.

Shall Dan Lindheim be elected Chair of the Audit Committee for the 2015 Term? Mr. Lindheim was elected Chair by the following results:

Aye: 4 - Member Edward Berne
 Vice Chairperson Gregory Redmond
 Secretary Beverly Hansen
 Member Rose Sutton
Absent: 1 - Chairperson Dan Lindheim

Non-voting: 0

Enactment No: 15-0572

15-0696 **Nomination(s), Vice Chair, Audit Committee**

Acceptance of Nomination(s) from the membership for the position of Vice Chair, Audit Committee - 2015 Term.

Mr. Rakestraw opened the nominations for Committee Vice Chair. Rose Sutton nominated Gregory Redmond. There were no other nominations. Mr. Rakestraw closed the nominations.

Mr. Rakestraw noted there were no Public Speakers on the previous items considered by the Committee.

15-0697 **Election of Vice Chair, Audit Committee - 2015 Term**

Shall Gregory Redmond be elected Vice Chair, Audit Committee - 2015 Term?

After the election of Gregory Redmond as Committee Vice Chair, Mr. Rakestraw yielded the Chair to Mr. Redmond.

Shall Gregory Redmond be elected Vice Chair of the Audit Committee for the 2015 Term? Mr. Redmond was elected Vice Chair by the following results:

Aye: 4 - Member Edward Berne
Vice Chairperson Gregory Redmond
Secretary Beverly Hansen
Member Rose Sutton

Absent: 1 - Chairperson Dan Lindheim

Non-voting: 0

Enactment No: 15-0573

15-0698 **Nomination(s), Secretary, Audit Committee**

Acceptance of Nomination(s) from the membership for the position of Secretary, Audit Committee - 2015 Term.

Beverly Hansen volunteered to serve as Committee Secretary. There were no other nominations. Vice Chair Redmond closed the nominations.

15-0699 **Election of Secretary, Audit Committee - 2015 Term**

Shall Beverly Hansen be elected Secretary, Audit Committee - 2015 Term?

Shall Beverly Hansen be elected Secretary of the Audit Committee for the 2015 Term? Mrs. Hansen was elected Secretary by the following results:

Aye: 4 - Member Edward Berne
Vice Chairperson Gregory Redmond
Secretary Beverly Hansen
Member Rose Sutton

Absent: 1 - Chairperson Dan Lindheim

Non-voting: 0

Enactment No: 15-0574

E. New Business



[15-0701](#)

Audit Committee - Work Plan - Through December 2015

Adoption by the Audit Committee of its Work Plan through December 2015.

Attachments: [15-0701 Audit Committee - Work Plan - Through December 2014](#)

Ruth Alhaydoian, Chief Financial Officer, reviewed the Committee's 2015 Work Plan recommending the items due in May be moved to June and the June item moved to May.

August and December – Internal accounting reports back on the external auditors. The Committee's responsibility is to provide semi-annual reports to the Board of Education.

September – Review with the independent auditor any significant transactions not a part of the normal business; any changes in accounting practices; and a report from the external auditor back to the committee things not specific to the District's audit.

October – A review with staff regarding internal accounting and financial controls.

November – Reviewing relevant policies to take back to the Board of Education.

December – Another report to the Board of Education.

Vice Chair Redmond said he would like to see on the agenda a copy of the Audit Committee roles and responsibilities so that all members can read and know what the committee does.

Ms. Alhaydoian said the Work Plans is taken from the roles and responsibilities.

Vice Chair Redmond requested a presentation made to the committee regarding the attendance process, procedures for controls, and roles and responsibilities.

Ms. Alhaydoian said in October there is review with the District's financial and accounting staff regarding internal accounting and financial controls. She said the attendance procedures and accounting and financial controls will be presented at the October Committee Meeting.

Edward Berne noted the District is still working on the 2012/13 audit in 2015 and wanted to know if that was the normal delay or is there a plan to make the audits more current?

Ms. Alhaydoian said that answer will be covered in the next agenda item.

A motion was made by Member Sutton, seconded by Vice Chair Redmond, that this Motion be Adopted as Amended . The motion carried by the following vote.

Aye: 4 - Member Edward Berne
 Vice Chairperson Gregory Redmond
 Secretary Beverly Hansen
 Member Rose Sutton

Absent: 1 - Chairperson Dan Lindheim

Non-voting: 0

Enactment No: 15-0575

[15-0702](#)**Audit Committee - Meeting Calendar - Through December 2015**

Adoption by the Audit Committee of its Meeting Calendar through December 2015.

Attachments: [15-0702 Audit Committee - Meeting Calendar - Through December 2015](#)

Meeting Calendar – Vice Chair Redmond reviewed the proposed meeting calendar from staff. The Committee's regular meeting date will meet the first Monday of each month with no modifications to the proposed schedule listed.

April 6th

May 4th

June 1st

July – No Meeting

August 3rd

September 14th – 1st Monday is a holiday

October 5th

November 2nd

December 7th

A motion was made by Member Berne, seconded by Vice Chair Redmond, that this Motion be Adopted as Amended . The motion carried by the following vote.

Aye: 4 - Member Edward Berne
Vice Chairperson Gregory Redmond
Secretary Beverly Hansen
Member Rose Sutton

Absent: 1 - Chairperson Dan Lindheim

Non-voting: 0

Enactment No: 15-0576

15-0703**District Audit Findings - Responses Fiscal Year 2010-11 and Fiscal Year 2011-12**

Presentation to the Audit Committee of the status of the prior year Audit Findings and District responses for Fiscal Year 2010-2011 and Fiscal Year 2011-2012.

Staff presentation by Ruth Alhaydoian.

Ms. Alhaydoian said since 2003, the State Controller's Office has been solely responsible for the audit of District finances. She said as a result of that, audits have taken longer to complete. Currently the State is auditing 2012/13 fiscal year. The 2011/12 audit was just completed in November and the 2010/11 was completed in May 2013. She said there was two years with no audit because the District was so far behind, the State was asked to skip two years so not to be further behind. As a result, by the time the State Controller reviews, the District is several year past and too late to implement the next year. There are several years of findings after the issue has been identified and then too late to make changes. On the 2011/12 audit there were 24 findings; 12 were State compliance issues with financial implications in the amount of \$1.4 million; 11 Federal findings totaling \$500,000; and 1 financial finding with no financial implication (no processes in place to audit Student Body Funds at school site). The Federal findings were appealed at the State level and the State wanted to know why the findings were repeat findings? The District has been providing this information to the State Controller's Office. The State level findings were appealed to the Education Audits Appeal Panel and the District has been waiting over a year for a response since 2013 on old audits and the District is in the process of negotiating the findings.

Beverly Hansen wanted to know if there is a cost associated with the State and Federal appeals?

Ms. Alhaydoian said Federal findings totaled about \$500,000 for Time Accounting of State and Federal Staff. The State findings totaled about \$1.388 million primarily for attendance records at schools sites. Ms. Alhaydoian said through the appeals process, these findings and others, the District is providing more evidence to the State and have shown that the standard the State Controller's Office was using was not standard procedure for school districts. The District has evidence in its data information systems that may not be dated properly.

Ms. Sutton asked for clarification on the administrative ratio finding whether there too many administrators or not enough .

Mr. Menyon replied there too many administrators. He said it is how the District tracked the numbers and the State has a different scope than the District. He said there is a ratio of administrators for teachers and the District exceeded the number of administrators

Ms. Hanson asked if there would be a financial penalty for not paying the State and Federal findings because it is in the appeals process?

Ms. Alhaydoian said not that she was aware of.

Discussed

15-0704 District Audit - In Progress - Fiscal Year 2013-2014

Presentation to the Audit Committee of a Report on District Audit - In Progress - Fiscal Year 2013-2014.

Ruth Alahydoian made the staff presentation.

Ms. Alahydoian reported 2012/13 audit. The independent audit firm worked on the 11/12 audit. The State Controller formally allowed the District to use VTD as the auditors for 2012/13. The audit began in January and is near completion. She said in May the audit will be complete and in June the auditor will present it to the committee. The 2013/14 audit process has begun.

Discussed

 **15-0705 Agreement - Vavrinek, Trine, Day & Co., LLP - Financial Services**

Presentation to the Audit Committee on the District's Agreement with Vavrinek, Trine, Day & Co., LLP - Financial Services for Audit Services June 30, 2013 through June 30, 2016.

Attachments: [Agreement - Vavrinek, Trine, Day & Co., LLP - Financial Services](#)

Ms. Hansen wanted clarification on the number of years the State will allow an independent auditor to perform the audits. Ms. Hansen said it was not clear that the State will allow all years through 2015/16 to be performed by an outside auditor.

Ms. Alahydoian said the District's interpretation is that it was okay, although it is not specified. Said she will go back and confirm.

Discussed

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

None.

G. Introduction of New Legislative Matter

None.

H. Adjournment

Vice Chair Gregory Redmond adjourned the meeting at 7:12 P.M.

Prepared By: _____

Approved By: _____