

Oakland Unified School District

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Meeting Minutes Long - Final

Monday, August 3, 2015

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, (Vacancy)

A. Call to Order

Chairperson Dan Lindheim called the meeting to order at 6:03 P.M.

B. Roll Call

Present 4 - Member Edward Berne
Secretary Beverly Hansen
Vice Chairperson Gregory Redmond
Chairperson Dan Lindheim

C. Chairperson's Statement Disclosing Item(s) to be Discussed in Closed Session Today

Chairperson Lindheim stated the meeting would recess to Closed Session to discuss potential litigation matters.

Closed Session Item(s):

15-1516 Conference With Legal Counsel - Anticipated Litigation

Initiation of Litigation Pursuant to Subdivision (c) of Section 54956.9: 1 case.

D. Recess to Closed Session

Chairperson Lindheim recessed the meeting to Closed Session at 6:57 P.M.

E. Reconvene to Public Session

Chairperson Lindheim reconvened the meeting to Public Session at 7:48 P.M.

F. Second Roll Call

Present 4 - Member Edward Berne
Secretary Beverly Hansen
Vice Chairperson Gregory Redmond
Chairperson Dan Lindheim

G. Chairperson's Statement of Reportable Action Taken in Closed Session and the Vote or Abstention of Members Present, if any.

Chairperson Lindheim stated there was no reportable action taken in Closed Session today.

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

Chairperson Lindheim stated the Committee will consider its Unfinished Business and New Business first and then recess the meeting to Closed Session afterwards. There were no other Modifications to the Agenda.

I. Adoption of Committee Minutes



[15-1501](#)

Minutes - Audit Committee - Regular Meeting - May 4, 2015

Approval by the Audit Committee of its Regular Meeting Minutes of May 4, 2015.

Attachments: [15-1501 Minutes - Audit Committee - Regular Meeting - May 4, 2015](#)

The Committee adopted its May 4, 2015 Committee Minutes with the following corrections:

1. *Legislative File ID 15-0704 - Under New Procedures, the word "provides" was changed to "provide".*
2. *Legislative File ID 15-0900 - Under item #2, the word "evaluates" was changed to "evaluate".*

Corrections made and minutes re-issued.

A motion was made by Member Berne, seconded by Secretary Hansen, that this Minutes, Committee be Adopted as Amended . The motion carried by the following vote.

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

Non-voting: 0

Enactment No: 15-1426



[15-1502](#)

Minutes - Audit Committee - Special Meeting - June 1, 2015

Approval by the Audit Committee of its Special Meeting Minutes of June 1, 2015.

Attachments: [15-1502 Minutes - Audit Committee - Special Meeting - June 1, 2015](#)

A motion was made by Vice Chairperson Redmond, seconded by Member Berne, that this Minutes, Committee be Adopted . The motion carried by the following vote.

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

Non-voting: 0

Enactment No: 15-1427

J. Unfinished Business

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.

Daniel Menyon, Controller, provided the staff report.

In January 2015, the State authorized approval for the District to have an independent auditing firm to perform its audits. Vavrinek, Trine, Day & Co., LLP (VTD) was selected as the auditing firm and they completed 2012 audit in seven months. The firm expressed an opinion that the financial statement presented to the public fairly represents the operations of the District.

Findings

- 1. Custodial charges to Federal Programs – \$307,000, financial implication. Item corrected overcharged Federal Program*
- 2. School attendance records – \$95,000, financial implication. District has audit reserves to pay for the findings*

Certain findings must be cleared by the California Department of Education based on corrective actions demonstrated by the District. All prior findings except the time accounting finding from 2010-2011 that requires approximately \$600,000 be reimbursed internally to Title 1 from unrestricted resources.

Appeal to the Education Audit Appeals Panel – Final settlement for 2010-2011 and 2012-2013 expected any day with the final liability approximately \$330,000.

All findings will be paid from the \$4 million set aside in reserves for audit findings.

A “Qualified” Opinion was issued for the financial findings.

- Associated Student Body Funds were not included because they could not be audited.*
- Staff will do internal audits and put controls in place.*

Takeaways

Attendance – Procedures in place; training and monitoring were incorporated in 2013-2014

Time Accounting – Procedures were in place and have improved since 2012-2013; accountability measure were incorporated in 2014-15 and will need to be monitored for effectiveness.

After School Program – New procedures were put into place in 2013-2014 that include training and oversight of program providers to improve compliance.

Programs for Exceptional Children – New procedures were put in place in 2013-2014 to ensure Individual Educational Plans are reviewed annually; additional training was provided in 2013-2014 and 2014-2015.

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.

Legislative File ID 15-0703 and 15-0704 were discussed simultaneously. The narrative applies to both files.

Discussed

K. New Business

[15-1483](#)**District Financial Audit - Vavrinek, Trine, Day & Co., LLP - Fiscal Year Ending June 2013**

Presentation to the Board of Education of the District's Financial Audit Report for the Fiscal Year Ending June 2013 by Vavrinek, Trine, Day & Co., LLP ("VTD").

Attachments: [15-1483 Board Presentation - District Financial Audit - Vavrinek, Trine, Day & Co., LLP - Fiscal Year Ending June 2013](#)
[15-1483 Board Memorandum - District Financial Audit - Vavrinek, Trine, Day & Co., LLP - Fiscal Year Ending June 2013](#)
[15-1483 Summary - District Financial Audit - Vavrinek, Trine, Day & Co., LLP - Fiscal Year Ending June 2013](#)
[15-1483 District Financial Audit - Vavrinek, Trine, Day & Co., LLP - Fiscal Year Ending June 2013](#)

Nathan Eldman, VTD, provided the presentation for the Financial Audit ending June 2013

There were no findings for the 2013-2014 financial statement

Mr. Eldman reported that the Associated Student Body Funds (ASB) were omitted from the audit with no impact on the remainder of the report. The funds belong to the students at the schools with the District having custody and fiduciary responsibility to provide oversight on how to spend the funds. There was a separate report showing the amount of funds the District is holding in ASB funds.

Questions

Beverly Hansen – ASB Funds

Are there specific District employees assigned to focus on school sites ensuring the controls put in place continue?

Daniel Menyon said he led the ASB training working along with Legal Counsel to determine the total amount of funds at school sites. What has been done so far:

- *A letter was sent to school sites requesting the name of the bank where the funds are deposited and signature(s) on the account.*
- *The information was verified with the bank.*
- *The training process started.*

Once school starts, site visits will be made providing staff with hands-on training starting with Skyline as a pilot.

Gregory Redmond

Will schools be able to open bank accounts in the future and how will this be regulated?

Daniel Menyon said yes, the purpose of the ASB funds is to teach middle and high school students how to run a company.

Discussed

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

None.

M. Introduction of New Legislative Matter

None.

N. Adjournment

Chairperson Lindheim adjourned the meeting at 7:49 P.M.

Prepared By: _____

Approved By: _____