

Oakland Unified School District

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Meeting Minutes Long - Final

Monday, February 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

A. Call to Order

Chairperson Dan Lindheim called the meeting to order at 6:08 P.M.

B. Roll Call

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

C. Election of Officers

16-0265 Nomination(s), Chair, Audit Committee

Acceptance of Nomination(s) from the membership for the position of Chair, Audit Committee - 2016 Term.

Postponed to a Date Certain

16-0266 Election of Chair, Audit Committee - 2016 Term

Shall Dan Lindheim be elected Chair, Audit Committee - 2016 Term?

16-0267 Nomination(s), Vice Chair, Audit Committee

Acceptance of Nomination(s) from the membership for the position of Vice Chair, Audit Committee - 2016 Term.

Postponed to a Date Certain

16-0268 Election of Vice Chair, Audit Committee - 2016 Term

Shall Gregory Redmond be elected Vice Chair, Audit Committee - 2016 Term?

Postponed to a Date Certain

16-0269 Nomination(s), Secretary, Audit Committee

Acceptance of Nomination(s) from the membership for the position of Secretary, Audit Committee - 2016 Term.

Postponed to a Date Certain

16-0270 Election of Secretary, Audit Committee - 2016 Term

Shall Beverly Hansen be elected Secretary, Audit Committee - 2016 Term?

Postponed to a Date Certain

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

None.

E. Adoption of Committee Minutes



[16-0247](#)

Minutes - Audit Committee - Regular Meeting - January 11, 2016

Approval by the Audit Committee of its Regular Meeting Minutes of January 11, 2016.

Attachments: [16-0247 Minutes - Audit Committee - Regular Meeting - January 11, 2016](#)

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

Aye: 4 - Member Frank Tsai
Member Edward Berne
Secretary Beverly Hansen
Chairperson Dan Lindheim

Absent: 1 - Vice Chairperson Gregory Redmond

Non-voting: 0

Enactment No: 16-0209

F. Unfinished Business

 [15-2403](#)**District's Use of Contractors for Temporary Oversight of Departments**

Presentation to the Audit Committee by staff of a report on the District's use of contractors for temporary oversight of departments.

Attachments: [15-2403 SGI Contract - Interim Deputy Chief Facilities](#)

Jackie Minor, General Counsel, made the staff presentation.

Ms. Minor reported that the District had wanted to have Deputy Chief, Facilities Planning and Management position filled by June 30, 2015. A search firm has been retained to assist in the recruitment process.

Committee Member Berne wanted to know if it was Ms. Minor's opinion that the Conflict of Interest Policy is good, needs to be strengthened, or too restrictive?

Minor said the District's Conflict of Interest Policy conforms one hundred percent with State Law. She said this law is monitored and enforced at the State level. The District has some flexibility by designating those employees who are subject to the Code. At the February 10th Board of Education Meeting changes (employees who are subject to the Code) will be presented to the Board for approval.

Committee Member Tsai wanted to know if there was a Conflict of Interest that applied to vendors?

Minor said the District can so designate certain consultants. The District has done this with Lance Jackson; the State Trustee for the District; and a few other persons throughout the District. Mr. Jackson is a consultant with the District and SGI is the vendor. She said SGI's current contract specifies the responsibilities Mr. Jackson has been asked to perform for the District. The District provides additional oversight with Senior Business Officer, Vernon Hal, having oversight over all contracts, for approving all SGI invoices, and any contracts that directly involve Mr. Jackson.

Chairperson Lindheim said prior to Mr. Jackson assuming this role, there was a full-time staff person performing the work and now there is not. Mr. Jackson now assumes his prior duties and the duties Mr. White had in some areas. He said there have been articles saying legally this may not be a problem, but it does not "smell right."

Chairperson Lindheim wanted to know Jackson's role with SGI.

Minor said Timothy White was Deputy Chief for Facilities Planning and Management, Buildings & Grounds and Custodial Services. Mr. Jackson has no responsibility for the day to day work of Buildings & Grounds or Custodial Services. Mr. Jackson's job is only focused on the Facilities Capitol Bond Program. The District opted to manage its bond funds by having both in-house project management and bringing in contract management experience starting with the initial bond. The District has contract management companies that work side by side with project managers in the District. They manage projects, attend meetings, report out in meetings on the projects, meet with the community regarding facility projects, etc.

[16-0125](#)**Audit Committee - Work Plan - Through December 2016**

Adoption by the Audit Committee of its Work Plan through December 2016.

Attachments: [16-0125 Audit Committee - Work Plan - Through December 2016](#)

Chairperson Lindheim said at the previous committee meeting the plan was adopted subject to changes being made.

Ruth Alahydoian, Chief Financial Officer, said the changes have been made to the Work Plan. She said the Work plan is used in developing the monthly meeting agendas to ensure topics are discussed as scheduled in the Work Plan.

Discussed

G. New Business

[16-0246](#)**District Financial Audit - Vavrinek, Trine, Day & Co., LLP - Fiscal Year Ending June 2014**

Presentation to the Board of Education of the District's Financial Audit Report for the Fiscal Year Ending June 2014 by Vavrinek, Trine, Day & Co., LLP ("VTD").

Attachments: [16-0246 2013-14 Presentation - District Financial Audit - Vavrinek, Trine, Day & Co., LLP - Fiscal Year Ending June 2014](#)
[16-0246 2013-14 District Financial Audit - Vavrinek, Trine, Day & Co., LLP - Fiscal Year Ending June 2014](#)
[16-0246 2013-14 VDT Audit Findings](#)

Leonard Dano and Nathan Edleson, Vavrinek, Trine, Day & Co., LLP ("VTD"), made the presentation of the 2013/2014 Audit Report to the Committee.

Dano said the Audit is complete for the year ending June 2014. The current plan is to complete work on the 2014/2015 year during the next 4-5 months. The 2015/2016 Audit will be ready for them to begin work around September. The goal is for the District to be current with the 2015/2016 Audit. VTD expects to report to the Committee this time next year on the 2015/2016 Audit. For the District to be compliant with the State, the 2015/2016 Report must be filed by December 15th of the calendar year. While the District is still under State control, VTD is performing independent Audit work. The work of VTD does get reviewed subject to a Quality Control Review by the State Controller's Office. The first review by the State was for the year ending June 30, 2013. There were a couple of findings and comments that resulted in minor re-wording of some comments. The State will issue a report that will say VTD did everything in accordance with the applicable standards.

Findings in the 2013/2014 Audit:

Average Daily Attendance (ADA) Testing – Reconciliation of P2 and the Annual Report to the detail. P2 was reconciled, but inadvertently the supporting documentation was not included in the work papers.

There is a sixty day clean-up period from the time VTD issues the report to the time the State Controller's Office can look at it. He said probably in March the State Controller's Office will look at 2014/2015 work. Mr. Dano said VTD doesn't expect any issues.

Current Year Audit – Two financial statement findings:

1. Associated Student Body (ASB) Funds are not included in the report. District plans to include them in the report beginning 2015/2016.
2. Payroll Revolving Fund 76 was not reconciled by the time the Audit was submitted.

Still Key – The issue of ADA - Still finding errors and inconsistency in the testing, but it is getting better. That is noted in the report and the State Controller is aware of this. Expect significant corrective action in the coming years.

Committee Member Hansen asked if there were other districts who had ADA under control?

Edleson said it is normal for school district to have this issue. VTD works with school districts to set up internal controls, identifying what failed, and what is necessary to resolve the issue. He said going forward these things will resolve themselves in future years. Oakland's issue has been it was behind with issuing its Audits and hasn't had effective controls (based on discussions with the Auditors) figuring out procedures to resolve.

Vernon Hal said because the District is so many years behind in its Audits, the documents

may have been there, but with the turnover at school sites, no one knows where the box(es) of documents are. These are the kind of things we are working on in the District. As the District gets caught up in its Audits and puts more emphasis on system-wide procedures, some of the document missing issues will hopefully subside.

Corrective Measures

Jackie Minor said this Audit was the year the District put procedures and training in place at the school site level on attendance taking. Central Office staff provided an Attendance Procedure Binder and hands-on training at the school sites. The training binder was so successful, it was reviewed by the State Controller's Office and the Department of Finance. So impressed with the binder, both agreed to negate the 2011/2012 attendance findings and said the District was on the right course.

Minor said she attended a Faculty Council Meeting at a school site with teachers talking about attendance, the Audit findings, and why attendance taking was so important. She said this is the first Audit Report since that meeting and that school is at one hundred percent.

Val Hal stated that the District will be in a position to have the Associated Student Body Funds auditable by the 2016/2017 fiscal year.

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

[16-0248](#)

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

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

None.

I. Introduction of New Legislative Matter

None.

J. Adjournment

Chairperson Lindheim adjourned the meeting at 7:10 P.M.

Prepared By: _____

Approved By: _____