



Business Services Division Memo

To: OUSD Audit Committee
Caroline Lee, Chair

From: Lisa Grant-Dawson, Chief Business Officer
Ryan Nguyen, Interim Chief Financial Officer

Subject: 2023-24 Audit Corrective Action Plan Responses

Date: March 3, 2025

Dear Chair Lee and the members of the OUSD Audit Committee,

As previously shared and discussed, the District has completed the 2023-24 District Financial Audit and the audits for our three parcel tax audits for Measure G, Measure G1, and Measure N. Though the District experienced fewer audit findings, our submission to the Alameda County Office of Education (ACOE) and State Controller's Office (SCO) generated a Corrective Action Plan letter from the ACOE dated February 21, 2025.

Due to the recent receipt of the letter and plan, the District is working to submit its replies to the ACOE by the March 14, 2025 due date. We are sharing this update with you and will share the responses at a subsequent meeting.

In Community,

Lisa Grant-Dawson
Chief Business Officer
lisa.grantdawson@ousd.org

Ryan Nguyen
Controller
Ryan.Nguyen@ousd.org



Business Services Division Memo

Attachment

OUSD 2023-24 Audit Corrective Action Plan Response

Date: February 21, 2025

To: Lisa Grant-Dawson, Chief Business Officer
Ryan Nguyen, Controller
Oakland Unified School District (OUSD)

cc: Luz Cázares, Fiscal Oversight Trustee, ACOE
Shirene Moreira, Chief of District Business & Advisory Services, ACOE

From: Joan Laursen, Director III, District Business & Advisory Services, ACOE

Subject: **2023-24** Audit Finding Corrective Action

Assembly Bill 3627, effective January 1, 1995, outlines the responsibilities of the California Department of Education, County Offices of Education and Local Education Agencies (LEA) regarding the audit exceptions identified by an independent auditor. Each county superintendent is responsible for reviewing the audit exceptions of their LEAs related to attendance, inventory of equipment, internal control and any miscellaneous items to determine whether the exceptions have been corrected or have an acceptable plan of correction.

In accordance with these requirements, our office has created an Audit Finding Corrective Action Form to be completed by the LEA. We have enclosed a form for each finding that will need a response.

Audit Finding Corrective Action responses due no later than March 14, 2025, to include:

- Completed Audit Finding Corrective Action Form
- Any related supporting documentation

Electronic submissions are acceptable. Please send your response as a complete package either by emailing to dbas@acoe.org or in hardcopy to Liliana Rocha-Garcia, District Advisory Services, Room 348.

Thank you for your cooperation. If you have any questions, please don't hesitate to contact me at jlaursen@acoe.org or 510-670-4220.

Number of Findings Attached: 6

Number of Repeat Findings that require more comprehensive correction action: 3

Audit Finding Corrective Action

District: Oakland USD

Fiscal Year: 2023-24

Finding Category: 40000, 71000 – State Compliance, Teacher Certification & Misassignments

Finding #: 2024-001 – Teacher Certification

The District’s auditors in their testing identified 4 teachers for whom insufficient documentation was provided to ascertain whether they possessed valid certification documents, resulting in questioned costs of \$801,632 from derived values of the 53 ADA generated by the teachers in question.

The Auditors recommend the District evaluate its operational process and controls for this area.

The District’s response in the Audit Report of “the challenge lies in hiring fully credentialed teachers...” is insufficient, and no planned corrective actions are noted. Due to the significant amount and nature of the penalty, ACOE requests additional documentation to show that proper training procedures for relevant staff are being developed and implemented. If the procedures are not yet complete, please provide a detailed timeline for developing, implementing, and training staff on the new procedures. The District will need to fully address the finding and provide supporting documentation for all specific actions taken to resolve the finding.

The California Department of Education may request a written response to this finding, as well. Please provide our office with a copy of that response for our records. In addition, ACOE expects the District to provide the revised second and annual reports of attendance to reflect the disallowed ADA before the CDE submission deadline.

Corrective Action: *Describe below the specific corrective action used in resolving the audit finding. Provide all documentation which supports the specific actions, i.e. copies of amended reports, corrective action plans, written procedures, etc.*

Audit Finding Corrective Action

District: Oakland USD

Fiscal Year: 2023-24

Finding Category: 40000 – State Compliance

Finding #: 2024-002 – ELOP Pupil-to-Staff Ratio

The District’s auditors identified 2 school sites out of 13 tested where the pupil-to-staff ratio exceeded the maximum ratio of 20:1 for the Expanded Learning Opportunities Program (ELOP). East Oakland Pride Elementary had a 23.4 ratio and Oakland Tech High School had a 23.67 ratio.

The Auditors recommend the District periodically monitor sites for compliance during the year and remind contracting agencies of the program requirements.

The District’s response in the Audit Report of is insufficient, and no planned corrective actions are noted. ACOE requests additional documentation to indicate that procedures for monitoring the programs are being developed and implemented. If the procedures are not yet complete, please provide a detailed timeline for developing, implementing, and training staff on the new procedures. The District will need to fully address the finding and provide supporting documentation for all specific actions taken to resolve the finding.

The California Department of Education may request a written response to this finding, as well. Please provide our office with a copy of that response for our records.

Corrective Action: *Describe below the specific corrective action used in resolving the audit finding. Provide all documentation which supports the specific actions, i.e. copies of amended reports, corrective action plans, written procedures, etc.*

Audit Finding Corrective Action

District: Oakland USD

Fiscal Year: 2023-24

Finding Category: 40000, 72000 – State Compliance, Student Accountability Report Card

Finding #: 2024-003 – SARC

Pursuant to Ed Code 35186(d), the District is required to report quarterly summarized data on the nature and resolution of all complaints to the county superintendent and the District’s governing board. The District did not provide the auditors with the required quarterly summaries; therefore, information contained in the Student Accountability Report Card (SARC) regarding complaints related to teacher misassignments or vacancies may be incomplete.

This is a repeat finding from 2022-23 (2023-002) for which the auditors recommended the District appoint an individual to be responsible for compliance in this area. It appears that recommendation was not followed.

ACOE requests additional documentation to indicate that the District is implementing the auditor’s recommendation and appointing someone accountable for compliance with reporting summarized complaints to the county superintendent and the governing board. If an appointment has not been made already, please provide a detailed timeline for that appointment and for the implementation and training on the required procedures. The District will need to fully address the finding and provide supporting documentation for all specific actions taken to resolve the finding.

The California Department of Education may request a written response to this finding, as well. Please provide our office with a copy of that response for our records.

Corrective Action: *Describe below the specific corrective action used in resolving the audit finding. Provide all documentation which supports the specific actions, i.e. copies of amended reports, corrective action plans, written procedures, etc.*

Audit Finding Corrective Action

District: Oakland USD

Fiscal Year: 2023-24

Finding Category: 40000, 72000 – State Compliance, Student Accountability Report Card

Finding #: 2024-004 – ASES Attendance Reporting

This is a repeat finding of 2023-005, in which the auditors identified errors in the attendance reported to the CDE for the District’s afterschool program. Out of 60 OUSD schools operating an ASES afterschool program, the auditors tested 11 sites and 4 sites had errors in their attendance reporting. The District overreported the total number of students served by 495; an error rate of 0.4% based on the audit sample.

The District’s response and planned corrective actions noted in the Audit Report is the same as in the prior year. ACOE requires additional documentation to show that additional training procedures for staff at the school sites who are responsible for attendance reporting of After School Education and Safety Programs are being developed and implemented. If the procedures are not yet complete, please provide a detailed timeline for developing, implementing, and training staff on the new procedures. The District will need to fully address the finding and provide supporting documentation for all specific actions taken to resolve the finding.

The California Department of Education may request a written response to this finding, as well. Please provide our office with a copy of that response for our records.

Corrective Action: *Describe below the specific corrective action used in resolving the audit finding. Provide all documentation which supports the specific actions, i.e. copies of amended reports, corrective action plans, written procedures, etc.*

Audit Finding Corrective Action

District: Oakland USD

Fiscal Year: 2023-24

Finding Category: 40000, 72000 – State Compliance, Student Accountability Report Card

Finding #: 2024-005 – ASES Site Closures

According to the State Audit Guide, ASES afterschool programs must commence every day immediately upon the conclusion of the regular school day. Out of 60 OUSD schools operating an ASES afterschool program, the auditors tested 11 sites and found 3 sites at which the program was not offered on October 31, 2023.

The District's response to the finding did not include any planned corrective actions. ACOE requires additional documentation to indicate that additional training procedures for lead agencies operating ASES programs are being developed and implemented. If the procedures are not yet complete, please provide a detailed timeline for developing, implementing, and training staff on the new procedures. The District will need to fully address the finding and provide supporting documentation for all specific actions taken to resolve the finding.

The California Department of Education may request a written response to this finding, as well. Please provide our office with a copy of that response for our records.

Corrective Action: *Describe below the specific corrective action used in resolving the audit finding. Provide all documentation which supports the specific actions, i.e. copies of amended reports, corrective action plans, written procedures, etc.*

Audit Finding Corrective Action

District: Oakland USD

Fiscal Year: 2023-24

Finding Category: 40000, 72000 – State Compliance, School Accountability Report Card

Finding #: 2024-006 – Immunizations

This is a repeat finding of 2023-006. The auditors sampled 120 pupils at 29 sites to verify if the District has specific information on file regarding the immunization records of pupils attending District schools. The District was unable to provide sufficient information to establish compliance for 2 of the sampled student files, resulting in questioned costs of \$28,211 from derived values of 2 ADA, 1 from grade K and 1 from grade 7.

The Audit Report does not note a response from the District nor any planned corrective actions. ACOE requires additional documentation to show that training procedures for staff at the school sites who are responsible for pupil immunization records and that procedures for periodically monitoring compliance are being developed and implemented. If the procedures are not yet complete, please provide a detailed timeline for developing, implementing, and training staff on the new procedures. The District will need to fully address the finding and provide supporting documentation for all specific actions taken to resolve the finding.

The California Department of Education may request a written response to this finding, as well. Please provide our office with a copy of that response for our records. In addition, ACOE expects the District to provide the revised second and annual reports of attendance to reflect the disallowed ADA before the CDE submission deadline.

Corrective Action: *Describe below the specific corrective action used in resolving the audit finding. Provide all documentation which supports the specific actions, i.e. copies of amended reports, corrective action plans, written procedures, etc.*