



# Oakland Unified School District

Summary of Audit Results for the Governing Board, the Citizens' Bond Oversight and Facilities Committees.

Fiscal Year 2025 Bond Fund Financial Statements and Bond Performance Audit,  
**Measures B, J, and Y**

# Audit Results — Bottom Line

## Accounting – No findings

- Unmodified ("clean") opinions on the financial statements (3)

## Internal control– No findings

- No significant deficiencies or material weaknesses

## Allowability– No findings

- Expenditures were made for authorized bond projects

## Expanded Performance Audit – 16 Observations

- Identified several documentation exceptions, reporting inconsistencies, and improvement opportunities that warrant management attention

# What We Audited (Scope)



B, J and Y fiscal year 2025 financial statements and disclosures



Internal controls relevant to financial reporting



Proposition 39 Bond Performance Audit

# What We Audited (Scope)

## Objectives and Scope of the Proposition 39 Bond Performance Audit (basic)



**Verified that transactions are allowable** per the bond project list of Measure B, Measure J, and Measure Y, Proposition 39.



Determine whether **salary transactions** were in support of Measure B, Measure J, and Measure Y and **not for District general administration or operations.**



**Internal controls** relevant to compliance

# What We Audited (Scope)

Prop. 39 “basic”

- Projects and salary are allowable.

Evaluated eight major scope areas including:

1. Adherence to design and construction cost budgets,
2. Adherence to project schedules and timelines,
3. Financial reporting and internal controls over the bond program,
4. Payment processing and invoice approval controls,
5. Change order and claim procedures,
6. Bidding and procurement procedures,
7. Best practices for procurement of materials and services, and
8. Selected compliance areas, including conflict-of-interest disclosures and compliance with applicable state laws, regulations, and Board policy.

Performed interviews and reviewed Board materials

- CBOC reports, the Facilities Procedures Manual, change orders, and contract amendments.

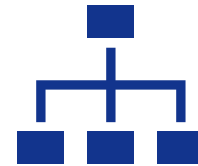
# Context for Interpreting Audit Results



Broader-than-standard audit scope with deeper testing and analysis.



Findings include improvement opportunities, not just compliance issues.



OUSD shows strong maturity in controls, reporting, procurement, and oversight.



The audit reflects the District's commitment to accountability and transparency.

# Positive Practices Identified

- Improved reporting to the Board and Citizens' Bond Oversight Committee.
- Meaningful discussions through CBOC meetings.
- Enhanced internal controls over payment processing, invoice review, and contract management.
- Regular updates to capital spending plans and transparent sharing of budget adjustments.
- Continued refinement of the Facilities Procedures Manual.
- Posting of CBOC meeting recordings and documentation to improve public accessibility.

# Key Improvement Themes

Reporting  
consistency and  
schedule  
transparency

Change-order  
tracking and early  
warning visibility

Documentation  
and procurement  
execution

Governance  
infrastructure and  
long-term control  
maturity

# Theme 1 – Reporting Consistency and Schedule Transparency

Stakeholder reporting was generally meaningful and decision-useful.

However, some anticipated completion dates were missing or inconsistent across reporting sources.

Certain project-level cumulative budgets and expenditures differed between accounting and project management reports.

Need for a single reconciled source of truth before reports are issued.

## Theme 2 – Change Orders, AEDs, and Early Warning Reporting

District generally processed tested change orders in accordance with procedures.

However, there was no centralized, complete change-order listing for the fiscal year.

Audit recommends a centralized log and better advance visibility of significant change actions.

Frequent AED activity suggests opportunities to improve early-stage planning, design completeness, and scope definition.

# Theme 3 – Documentation and Procurement Execution

Two invoices lacked required certified payroll documentation.

Procurement review identified instances of:

- missing or out-of-sequence signatures,
- outdated bid advertisements,
- and work beginning before final approval in some cases.

These were execution and documentation issues, not findings of misuse of bond funds.

# Theme 4 – Governance Infrastructure and Long-Term Control Maturity

Need for better version control and a single “source of truth” for facilities standards.

Opportunity to enhance the Facilities Procedures Manual with clearer compliance verification steps.

Continued attention needed on Facilities Master Plan access, updates, and documentation.

Audit also notes potential to pursue additional state and federal funding resources.

# Management Response and Actions Underway

- Management generally agreed with the recommendations and reported corrective actions underway.
- Examples include:
  - Monthly reconciliation of completion dates,
  - Stronger cross-functional reconciliation between accounting and project management,
  - Standardized payment package checklist and refresher training,
  - Centralized tracking for change orders and contract end dates,
  - Improved routing checklists and document monitoring.

# Key Takeaways

- The audit provided positive assurance that bond funds were used for voter-approved purposes.
- No instances were identified of bond funds spent on unlisted projects.
- Findings primarily relate to transparency, consistency, documentation, and governance improvement.
- Management has begun implementing actions to strengthen controls and reporting.

# Who is Responsible for What



## Governing Board Role

Oversight of financial reporting and audit results



## Auditor's responsibilities

Forming and expressing opinions based on the results of our audit of the financial statements, and audit of compliance.



## Management's Responsibilities

Completeness and accuracy of the financial statements, maintenance of internal control over financial reporting, and compliance with laws and regulations.



# Thank you

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