Audit Committe		t Finding Judit Yea		er - February 7	2022					Additional mechanisms, rules, procedures		
						Audit Finding Description	Views of Responsible Officials Planned Corrective Action Summary 2020	Views of Responsible Officials Planned Corrective Action Summary 2022	Responsible parties, departments and/or assigned director	implemented to ensure integrity, accountability and prevent fraud and/or additions to monitoring process	Targeted Resolution and Status Update 2/7/22	2021-22 Audit View/Recommendations
2016 2017	2018	2019	2020	2021	2022					plocess		
						I suman Resources/Payroll Internal Control Process, Pension - A material weakness in Internal control over financial reporting – The District could not supply documentation to satisfy us that cersus information and payroll amounts reported to pension providers are complete and accurate. We analytically recalculated these expresses, noting that the payment made to pension providers during the year apparse correctly recorded in the accounting records of the District. However, since we could not verif if the underlying data on which those charges are based is complete and accurate,	A designated area of focus by district management. Resolution requires both systems changes and procedural changes followed by training.	The District has identified as a key concern and alignment between payroll, human resources, Business Services and Risk management has been critical to this issue. Internal procedures are fragmented and District has identified system needs as a post-correction from its 2018-19 transition to Escape system. Almeda County Office of Education has hosted meetings in support of fixes. This has been in process since September 2020.	Nicole Caldwell, Director Payroll		Change implementation started in Sept 2020	There appears to be a lack of orgoing monitoring and oversight to ensure that employees involved in the critical process are consistently following the established policies and procedures, including the retention of periment physical records to support the performance of documented controls. Often no single person is accountable to locate documents or answer questions.
	x	x	x	×	2022-001	We cannot commit the eventual payments are for the concret amount. Benear finding 2013 (f0) Payroll internal Control Process Vacation Tracking - A matterial weakes in internal control over financial reporting - The District was unable to supply documentation to prove that vacation usage is accurately recorded in the payroll system and that balances do not exceed the maximum allowed per District policy. Furthermore, we noted that the controls over the calculation of accured vacation on separation do not include documentary evidence of an independent reviewer. The District verbally informed us that someone independent of the preparer reviews each calculation. However, because evidence of the control is not documented, we consider this to be evidence of a material weakness. Repeat finding 2020-003. In substantive testing of general ledger account balances, the reported payroll expenditures are fairly stated based on the amounts paid upon separation. However, we cannot conclude if the District has a complete and accurate accounting of vacation balances on which to base payments upon separation.	Leadership team is revising procedures.	The District requested and received leave documents from school sites and departments as of 2017-18, when a defined practice that formerfy was done ceased. The school site upudat to a Payroll Documents and we physically collected the documents in 2021-22. We have requested this as an annual submission to ensure that this documentation is available and accessible for internal review and external audit. Similar to what was stated above, the Districts inability to validate compensation records and transactions to include leave taken, reported and recorded is another area of key focus. Newly hired directors of payroll and budget and Finance should help with resolution and lead project. The leadership team and assigned staff will also develop a revised standard operating procedure to share with all departments and sites to ensure that leave procedures are understood and followed which includes monthly recon by department and site and use of Frontline System to capture info.	Jenine Lindsey, Labor Relations, & Tara	The District is aligning its practices to the Contractual Bargaining Agreements and working with Labor Relations, Human Resources, and Bargaining Unit Leadership.	In progress and executed for 2020-21 as of 2019-20	Management in charge of these areas should be held accountable to ensure that all critical internal control policies and procedures are communicated to the employees charged with carrying out those procedures. Management further needs to monitor compliance and ensure that processes are being performed timely and consistently. Furthermore, there needs to be one sstabilished method to ensure that controls are being followed and that employees do not deviate from established District policies. Finally, there needs to be a formal record retention policy that supports the fact that controls are being followed following District policies.
	x	x	x	X	2022-002	Payroll Internal Control Process, Vacation Payments A material weakness in internal control over francial reporting – The District expense was 3.4 M million to employees for vacation accumulated; however, it is unable to assert that he anounts paid were actually due to the employees. Repeat finding prior year 2021-004		See above			Currently, leave records are maintained at the site and are not submitted to the District's Leave department. These records are imperative to evaluate vacation and other leave requested and taken and it has been recommended and a new process developed to secure the detail records of employee leave monthly from each site/department. It is these records that historically have not been available within the Central District Office and/or requested or provided by the sites/departments upon auditor selection.	Nanagement in charge of these areas should be held accountable to ensure that all critical internal control policies and procedures are communicated to the employees charged with carrying out those procedures. Management further needs to monitor compliance and ensure that processes are being performed timely and consistently. Management should prepare an auditable accounting of the documentation of which the District determined payouts of accumulated vacation during the year to be valid. The District should consult with legal coursel about recovery if any payouts are determined to have been incorrect.
				*	2022-003	Health Benefits Governing Board - A material weakness in internal control over financial reporting The formula to calculate the District's health and welfare obligations per the HBG8 agreement is substantially avaying outcomes. Specifically, the part of the formula that reads "take the FTE from the total of all autorized full-time equivalent position control keport as of October 31" is not clear. Standard usage of the PCR is for budgeting purposes, subject to estimation risk and uncertainty. Repeat finding 2021-005.	HBGB negotiations in progress.	The District resumed mediation with HGBG in October 2022.	Lisa Grant-Dawson, Business Services, Jenine Lindsey, Labor Relations, & Tara Gard, Human Resources, Josh Daniels, General Counsel		The negotiations process is in progress with HBGB, and the objective to negotiate a formula that is clearer and minimizes the risk of interpretation for future operational failure is the goal of the District.	We recommend that the District, and other applicable parties, revise and Carify the formula used to calculate the districts annual obligation for health and welfare. The procedure should be subject to independent recalculation to ensure that its results are consistent with its intent.

	- I		1		Audit Adjustments - A material weakness in internal The		The district has procedures in place at year end to	4			Personnel responsible for the year end closing
1	1	1 1	1		control over financial reporting – Audit adjustments inde	independent of the preparer.	review for audit adjustments and will ensure that	4		development plans to support employee training in	process should utilize a template to calculate the
	1	1 1	1		was necessary for the financial statements to be		the procedures are completed.	4		this area to support appropriate entries.	year end fair value adjustment and the calculation
		1 1	1		presented to conform with generally accepted			4			should be reviewed by someone independent of the
		1 1	1		accounting principles. The district revised its year			4			preparer before posting to the general ledger.
		1 1	1		end closing process to include recordings of the fair			4		4	
1		1 1	1		market value adjustments. There were errors in the			4		4	4
1		1 1	1		calculation. Repeat finding 2020-006.			4		4	4
		1 1	1		Calculation. Repeat infuling 2020 000.			4		4	4
1		1 1	1					1		1	1
	×	×	×	2022-005				1		1	1
-+		+-+	<u> </u>	1011 000	21st Century Attendance Reporting - misstated: 3 Feder	Federal and State compliance department to	OUSD has implemented a new Expanded Learning	Martha Pena, Coordinator After	4	The District will work with the appropriate	Recommends continuing with new system.
		1 1	1		of 5 schools tested had error rates between 1.2 and dev		Attendance improved tracking system and provided			departments to train on the attendance	Recommends continuing with new system.
		1 1	1		10.9% (2022), insignificantly overstated (2020), not		training to service providers.	School Program		requirements to ensure appropriate attendance	1
		1 1	1		accurate (2018), poorly maintained (2017).		training to service providers.	4		reporting is correct and reviewed during the year.	1
		1 1	1		There was a material weakness in internal control			1		reporting is correct and reviewed during the year.	1
		1 1	1		over compliance because attendance reported to			4		4	1
		1 1	1		over compliance because attendance reported to the CDE was incorrect.			4		4	1
x x		×	×	2022-006				1		1	1
X X	$\rightarrow$	+*+	* *	2022-000	School Accountability Report Card - The District did Cen	Control office staff are developing procedures	District is continuing work to build out the complex	Lice Grant-Dawron	4	District HR/Talent office staff are developing	District should appoint someone accountable for
		1 1	1		not provide us with the guarterly summaries		data reporting mechanism to allow for continued	215a Grant-Dawson			this area
		1 1	1				compliance with Teacher Certification	4		Talent staff will	this area
		1 1	1		described in the criteria paragraph. Repeat Finding			1			4
1		1 1	1		2021-010		Misassignments. Additional work to be done and	1		work to ensure that it is in compliance with Teacher	1
1		1 1	1				anticipate improvement in 2023-24	4		Certification Misassignment Compliance requirements. See	1
			×	2022-007				1			1
x	x x	x	* *	2022-007			teril - summinists with site personnel and provide	+	4	responses for finding 2021-009.	1
.		1 1	1		Independent Study - state requires written agreements for pupils enrolled in an independent		Will communicate with site personnel and provide training	1	-   · · · · · · · · · · · · · · · · · ·	1	1
.		1 1	1			1	training	1	-   · · · · · · · · · · · · · · · · · ·	1	
.		1 1	1	2022.008	study program. Of a sample of 40 one was missing.	1		1	-   · · · · · · · · · · · · · · · · · ·		District should periodically review compliance
.—————	$\rightarrow$	++	+	2022-008		/	and an interview of the site new panel and provide	+	- <del> </del>	+'	procedures and remind site personnel
.		1 1	1		ASES Early Release - Reason for early release from		Will communicate with site personnel and provide	1	-   · · · · · · · · · · · · · · · · · ·	1	
.		1 1	1		ASES program must be consistent with the early	1	training	1	-   · · · · · · · · · · · · · · · · · ·		Management responsible for compliance should
.		1 1	1		release policy	1	·   · · · ·	1	-   · · · · · · · · · · · · · · · · · ·		periodically remind site personnel of the District's
.		1 1	1			1		1	1		policies and provide training as necessary. We
.		1 1	1			1		1	1		suggest District periodically monitor the attendance
1		1 1	1			1		1	1		recording on a sample basis for timely identification
	$\rightarrow$	++	+	2022-009		'		+	- <b> </b> '	+	of deviation from District policy.
- I		1 1	1	2022 010	ASES - Attendance Reporting - Errors in attendance	1	see 2022-006	1	-   · · · · · · · · · · · · · · · · · ·	1	
	$\rightarrow$	++	+	2022-010		'		+	- <b> </b> '	+	Recommends continuing with new system.
1		1 1	1		Immunizations - Specific immunization records are		Will communicate with site personnel and provide	1	1	1	the second and the feature of the fe
1		1 1	1		required to be on file. Of 96 tested pupils 4 were	1	training	1	1		Recommend that management responsible for
1		1 1	1		missing data.	1		1	1		compliance periodically remind site personnel of
1		1 1	1			1		1	1		the District's policies and provide training as
1		1 1	1			1		1	1		necessary. Suggest that management periodically
1		1 1	1			1		1	1		monitor immunization compliance on a sample
1		1 1	1			1		1	1		basis for timely identification of deviation from
+	<u> </u>			2022-011			·		!	<u>+</u> '	District policy.
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