

# Bond Program Audits Overview & Timelines

Joint CBOC & Board of Education Meeting  
September 12, 2018



# Bond Program Audits

- Annual Financial Audit, Christy White
- Prop 39 & Expanded Program Effectiveness Audit, Moss Adams
- Forensic Accounting Investigation Report Implementation
- Independent Review of the Forensic Investigation Implementation, Moss Adams

# Bond Program Financial Audit, Christy White

The Bond Program Financial Audit reviews the 2010 Measure D and 2012 Measure E General Obligation Bonds Building Fund's basic financial statements.

[Financial Audit, FY 2017](#): Accepted by the BOE on March 21, 2018. The audit did not result in any recommendations or negative findings.

## [Financial Audit, FY 2018 Timeline](#)

[October 2018 - February 2019](#): Document production and field work.

[February 2019](#): CBOC Audit Subcommittee will receive the reports.

[March 2019\\*](#): The CBOC and BOE will review and receive the reports.

\*The legal deadline is March 31, 2019.

# Bond Program Prop 39 Compliance & Program Effectiveness Audit, Moss Adams

The Prop 39 compliance audit verifies that Bond proceeds are used on projects listed in the ballot measure. The Program Effectiveness audit covers performance and controls review for 22 additional criteria.

**Prop 39 & Effectiveness Audit, FY 2017:** Accepted by the BOE on March 21, 2018. The audit resulted in 18 recommendations which include producing detailed processes and procedures.

**Implementation Status:** 14 recommendations are underway. The anticipated resolution date for all recommendations is December 2018 (originally targeted for May-Oct)

## [Expanded Prop 39 Audit, FY 2018 Timeline](#)

**October 2018 - February 2019:** Document production and field work.

**February 2019:** The Audit Subcommittee (CBOC) will receive the reports.

**March 2019\*:** The CBOC and BOE will review and receive the reports.

\*The legal deadline is March 31, 2019.

# Implementation of the Forensic Accounting Investigation Report

- Phase II Forensic Accounting Report was accepted by the Board on September 21, 2016 resulting in 112 recommendations
- The Board approved an Implementation Task Force which is regularly meeting to review specific recommendations and the deliverables that support the implementation plan (next meeting to be held end of September 2018)
- Staff continues to make progress on implementation and will need additional time to continue implementation. Original timeline anticipated October 2018 with new target date being June 2019.

# Progress to Date on All Recommendations

Status	Recommendations Completed as of January 2017	Recommendations Completed as of June 2017	Recommendations Completed as of January 2018	Recommendations Completed as of August 2018
Implemented	36	63	70	77
Under Review / In Process	71	44	38	34
For Future Implementation	5	5	4	1
TOTAL	112	112	112	112
<b>Percentage Complete</b>	<b>32%</b>	<b>56%</b>	<b>63%</b>	<b>69%</b>

*Note: Once a recommendation is implemented the status will be labeled “implemented”. Many recommendations require ongoing implementation to ensure continuation of best practices.*

# Examples of Outstanding Forensic Report Recommendations for Implementation

- Future Ballot language recommendations
- Written Policies and Procedures to reflect the implemented internal control changes related to contracts and budget procedures
- Consensus of CBOC reports (ongoing)
- Developing District business ethics policy for District staff and Board
- Review agreements/policies of summer scholarship program
- Independent review of recommendations implemented

# Independent Review of the Implementation of the Forensic Report Recommendations

The Independent Review of the Forensic Accounting Recommendations

**Phase 1 Review Period: July 1, 2016 - June 30, 2017:**  
Review and verification of 62 implemented recommendations

**Phase 2:** Review and verification of all recommendations implemented after June 30, 2017

## [Independent Review Timeline](#)

**January 2018 - October 2018:** Document production, interviews and field work

**October 2018:** Draft Report Available

**October 2018 - January 2019:** The CBOC and BOE will review and receive the reports