

Proposed New Audit Committee Page:

Audit Committee

The primary responsibilities of the Audit Committee (the "Committee") are described in the [PPS Internal Performance Audit Charter](#), approved by the Board of Education (the "Board") on October 15, 2019 via Resolution 5971, and in [Board Policy 1.60.040-P: District Performance Auditing](#).

Primary responsibilities of the Committee:

1. Oversight and support for the Office of Internal Performance Audit (OIPA)
2. Recommends the OIPA's annual Internal Performance Audit Plan ("Audit Plan") to the Board and provides ongoing oversight of the Audit Plan and individual audits
3. Recommends external auditors to the Board and provides ongoing oversight of audits performed by external auditors

Additional information about each of the primary responsibilities can be found at: [Primary responsibilities of the Audit Committee](#)

pg 2

The Committee established an annual work plan to prioritize and guide the expectations for the year.

2019-20 Audit Committee Work Plan:

1. Reviews and recommends actions on 2017 Bond Audit and ongoing oversight of implementation of recommendations
2. Oversight of the OIPA's annual Internal Performance Audit Plan (2019-20: Contracts Audit, P-Card Review, ACH Audit)
3. Reviews and recommends actions related to the audit of District's Comprehensive Annual Financial Report (CAFR), the audit of the District's expenditures of federal awards, and provides ongoing oversight of implementation of recommendations
4. Initiation and support for the OIPA
5. Reviews District response to Secretary of State Audit (Board and Management)
6. Recommends external auditors to the Board.

Additional information and current status of the 2019-20 Audit Committee Work Plan at: [2019-20 Audit Committee Work Plan](#)

pg 3

A complete list of audits performed for PPS can be viewed at: [PPS Audit Reports](#)

pg 5

Committee Members

The Committee is comprised of three members of the Board and two community members who are appointed by the Board.

- Additional information on how community members are appointed to the Committee can be viewed at: [How to serve as a community member on the Audit Committee](#)

pg 4

mi

One of the members is designated as the Committee's Chair. The Chair presides over the Committee meetings and reports Committee actions and recommendation to the Board. In the event the Board does not appoint a Committee, the functions of the Committee shall be performed by the Board.

Board Members:

- [Julia Brim-Edwards – Chair](#)
- [Andrew Scott](#)
- [Michelle DePass](#)

Community Members:

- [Kari Guy](#)
- [Kate Wilkinson](#)

2019-20 Committee Meetings:

- August 12, 2019
- October 09, 2019
- December 05, 2019
- February 06, 2020
- April 02, 2020
- June 04, 2020

All dates are subject to change. Please check the committee webpage 24 hours prior to the scheduled meeting.

Keep current table listing the committee meetings

DATE, TIME & LOCATION OF SCHEDULED MEETING	BOARD AGENDAS & MEETING NOTICES	MEETING MATERIALS	MINUTES
Thursday, December 05, 2019 @ 4:30 p.m. BESC - Willamette Conference Room	<u>Meeting Notice</u> <u>Agenda</u>	<ul style="list-style-type: none"> • <u>Comprehensive Annual Financial Report (CAFR) - Draft</u> • <u>Report on Requirements for Federal Awards - Draft</u> • <u>2017 Bond Program Performance Audit Documents</u> 	
Wed. October 9, 2019 @ 4:30 p.m. BESC - Willamette Conference Room	<u>Meeting Notice</u> <u>Agenda</u>	<ul style="list-style-type: none"> • <u>Auditor Goals</u> • <u>Secretary of State Recommendation Tracking Document</u> 	
August 12, 2019 @ 4-5:30 p.m. BESC - Willamette Conference Room	<u>Agenda</u>	<ul style="list-style-type: none"> • <u>2019-20 Audit Plan Development</u> • <u>Proposed Audit Plan 2019-20</u> • <u>2016 Operations and Business Assessments</u> • <u>District Performance Audit Policy</u> • <u>Contracts Audit-Timeline and Content Area</u> • <u>Draft Committee Charter</u> 	<u>Informal Minutes</u>

Primary responsibilities of the Audit Committee (the "Committee")

The full responsibilities of the Committee are described in [PPS Internal Performance Audit Charter](#), approved by the Board of Education (the "Board") on October 15, 2019 via Resolution 5971, and in [Board Policy 1.60.040-P: District Performance Auditing](#).

The three responsibilities are detailed below.

1. Oversight and support for the Office of Internal Performance Audit ("OIPA")

In 2018, the District's budget funded two full time internal performance audit positions. The positions were staffed during 2019 and the OIPA was created.

Committee oversight responsibilities for the OIPA include the review, approval, and presentation of the following to the Board for final approval:

- [PPS Internal Performance Audit Charter](#), and/or any amendments
- The OIPA's annual Internal Performance Audit Plan (see additional details below)
- Annual operating budget for the OIPA
- The Auditor's annual performance evaluation
- Written audit reports, including findings and recommendations,
 - A complete list of audit report as well as the status of implementation of any resulting recommendations, can be viewed at: [PPS Audit Reports](#)
- Ongoing oversight of the implementation of recommendations until recommendations are fully implemented by District Management.

For more information about the OIPA, please see: [OIPA](#) *(page not created yet)*

2. Recommends the OIPA's annual Internal Performance Audit Plan ("Audit Plan") to the Board and provides ongoing oversight of the Audit Plan and individual audits

At the beginning of each fiscal year, the OIPA submits a proposed annual Audit Plan to the Committee who reviews and provides input on the selection of audit topics to be included. The Committee will then recommend the annual Audit Plan to the full Board for approval.

See OIPA's annual Audit Plan at:

- [OIPA's annual Audit Plan](#) (2019-20: Contracts Audit and P-Card Review)
- [Amendment](#) to OIPA's annual Audit Plan (added the ACH Audit)

The Committee provides ongoing oversight of the OIPA's Audit Plan and individual audits by:

- Reviewing, approving, and presenting individual audit reports to the Board for final approval
- Providing ongoing oversight of the implementation of recommendations included in audit reports
 - The Committee may obtain quarterly updates on the implementation of recommendations from the OIPA and/or District Management

- Reporting a summary of Committee actions including presenting audit reports and the status of the implementation of recommendations to the full Board
 - A complete list of audit report as well as the status of implementation of any resulting recommendations, can be viewed at: [PPS Audit Reports](#)

3. Recommends external auditors to the Board and provides ongoing oversight of audits performed by external auditors

The District contracts with independent external auditors for the Financial Report Audits/CAFR and Bond Performance Audits. Audits of the District can also be performed by the Oregon Secretary of State – Audit Services.

More information on the District's external auditors and their audit reports can be viewed at:

- [Financial Reporting / Comprehensive Annual Financial Reports \(CAFR\) Audit](#)
- [Bond Performance Audit](#)
- [Oregon Secretary of State – Audit Services](#)

Some of the Committee's oversight responsibilities for external auditors include:

- Make recommendation to the Board related to the contracting of external auditors
- Obtaining status updates from external audits while audits are being performed
- Receiving a presentation of the audit reports including any finding and recommendations prepared by the external auditors
- Reviewing the results of audits completed by external auditors and making recommendations to the full Board about reporting, monitoring, and implementation plans
- Presentation of the audit reports prepared by the external auditor to the Board

2019-20 Audit Committee Work Plan:

The topics of the 2019-20 Committee Work Plan were identified in the 10/6/2019 meeting. (See [meeting agenda](#)). The Committee formalized its work plan items in the 12/5/2019 meeting. (See [meeting agenda](#)).

Status updates on the Committee's Work Plan are provided at Committee meetings. See status update documents at: [2/6/2020](#), 4/2/2020, 6/04/2020.

Work Plan Elements:

1. Reviews and recommends actions on 2017 Bond Audit and ongoing oversight of implementation of recommendations.

Background Information: External auditors (Sjoberg Evashenk Consulting ("SEC"), Inc.) were contracted by the District to perform performance audits of the 2017 Bonds. The performance audit will cover the initial fiscal years beginning with July 1, 2018 through June 30, 2022. The primary focus of the scope of the audit is centered on the projects associated with the 2017 general bonds (Bonds Projects).

See additional details in the contract's statement of work: [SEC Inc – Statement of Work](#).

Audit reports issued by the external auditor, along with the status of the implementation of any recommendations can be viewed at: [PPS Audit Reports](#)

2. Oversight of the Office of Internal Performance Audit (OIPA) annual Internal Performance Audit Plan (2019-20: Contracts Audit, P-Card Review, ACH Audit)

Background Information: One of the Committee's primary responsibilities is to recommend the OIPA annual Internal Performance Audit Plan ("Audit Plan") to the Board and provide ongoing oversight of the Audit Plan and individual audits.

See OIPA's annual Audit Plan at:

- [OIPA's Annual Audit Plan](#) (2019-20: Contracts Audit and P-Card Review)
- [Amendment](#) to OIPA's annual Audit Plan (added the ACH Audit)

Audit reports issued by the external auditor, along with the status of the implementation of any recommendations can be viewed at: [PPS Audit Reports](#)

3. Reviews and recommends actions related to the audit of District's Comprehensive Annual Financial Report (CAFR), the audit of the District's expenditures of federal awards, and provides ongoing oversight of implementation of recommendations.

Background Information: External auditors (Talbot, Korvola & Warwick ("TKW"), LLP) were contracted by the District to perform an audit of the District's CAFR and an audit of the District's expenditures of federal awards to satisfy requirements imposed by the Single Audit Act of the U.S. Office of Management and budget (OMB) Circular No. A-133. TKW was

initially contracted for this purpose in August 2006 and the contract has been subsequently amended to continue these services.

See details in the contract's original statement of work: [TWK – Statement of Work](#).
See additional details in the contract's most recent amendment: [TKW - Amendment 8](#).

4. Initiation and support for the Office of Internal Performance Audit (OIPA)

Background Information: One of the Committee's primary responsibilities is the initial and support for the OIPA. Committee oversight responsibilities for the OIPA include the review, approval, and presentation of the following to the Board for final approval:

- [PPS Internal Performance Audit Charter](#), and/or any amendments
- [OIPA's annual Internal Performance Audit Plan](#)
- Annual operating budget for the OIPA
- The Auditor's annual performance evaluation
- Written audit reports, including findings and recommendations,
 - A complete list of audit report as well as the status of implementation of any resulting recommendations, can be viewed at: [PPS Audit Reports](#)
- Ongoing oversight of the implementation of recommendations until recommendations are implemented by District Management.

5. Reviews District response to Secretary of State (SoS) Audit (Board and Management)

Background Information: Board Committee reviews management actions and implementation plans, and advises the Board of Education on action and implementation plans that are needed based on findings and recommendations from the SoS audit.

6. Recommends external auditors to the Board

Background Information: Committee will provide oversight for the RFP process and provide recommendations to the Board on the selection, contracting, and engagement of external auditors.

Status updates on each of the items included in the Committee's Work Plan is provided to the Committee at Committee meetings. See status update documents at: [2/6/2020](#), 4/2/2020, 6/04/2020

How to serve as a Community Member on the Audit Committee



Do you have experience with performance audits? PPS utilizes community members' expertise and experience on the Board of Education's Audit Committee and positions are periodically open.

The Audit Committee was established to protect the independence of the district's audit program. It consults with and advises the Office of Internal Performance Audit (OIPA) and the PPS internal auditors to help ensure the effective and efficient functioning of the district.

The Committee is appointed by the PPS Board of Education, and is made up of three school board members and two community members. Committee members serve two-year terms. The time commitment is three to eight hours a month. Currently, both community member positions are filled, however, we encourage community members to continue to apply. As the end of current community members terms approach, we will contact applicants to discuss next steps.

If you have auditing experience and would like to apply, please submit a letter of interest and resume to Rpowell@pps.net.

For additional information on the responsibilities of the Audit Committee please see the following:

- [Audit Committee website](#)
- [PPS Internal Performance Audit Charter](#),
- [Board Policy 1.60.040-P: District Performance Auditing.](#)

PPS Audit Reports

PPS is audited by a variety of auditors including:

- PPS's Office of Internal Performance Audit
- External auditors who audit district bond projects
- External auditors who audit the District Comprehensive Annual Financial Report (CAFR) and Report on Requirements for Federal Awards
- Oregon's Secretary of State – Audit Services

Increased Transparency and Accountability

This page has been created to improve accountability and transparency of auditing that has and is taking place at PPS. Below you will find a complete list of audit reports that have been completed by a variety of auditors noted above. The reports have categorized by type and a brief explanation for each is provided.

More information about auditing at PPS can be viewed on the Board's Audit Committee page, see: [Audit Committee \(link to Audit Committee page\)](#).

PPS's Office of Internal Performance Audit ("OIPA")

PPS's OIPA was created in 2019. When audit reports are issued by OIPA they will be listed below. For more information about OIPA please see: [OIPA](#) (page not created yet)

2019-20 Audit Reports:

[Status of implementation of 2019-20 audit recommendations – ETA March 2020](#)

[2020 -- Contracts Audit - ETA March 2020](#)

[2020 -- ACH Audit](#)

[2020 -- P-Card Review](#)

Prior to the creation of the OIPA, PPS hired internal auditors as well as contracted with external auditors for internal performance audit services. Below is a list of audit reports issued by those auditors. It is unclear whether the implementation of the recommendations for these audits were tracked. As of June of 2019, the PPS Audit Committee is committed to tracking and posting to this page the status of implementation of audit recommendations moving forward.

[2016 -- Administrative Compensation Review](#)

[2016 -- District-Wide Operational and Business Services Risk Assessment](#)

[2013 -- Improving Graduation Rates \(rev.\)](#)

[2013 -- School Improvement Plans](#)

[2012 -- Teacher Absences](#)

[2012 -- Performance Measurement and Reporting](#)

[2011 -- Special Education Financial Management](#)

[2011 -- Status and Impact of Audit Recommendations](#)

[2010 -- English Language Learners](#)

[2010 -- Supplemental Educational Services](#)

[2009 -- Multiple School Calendars](#)

[2009 -- Public Charter Schools](#)

[2008 -- Employee Evaluation Systems](#)

[2008 -- Facilities Maintenance](#)

[2007 -- Instructional Time](#)

[2006 -- Administrative Spending](#)

[2005 -- Teacher Hiring, Assignment, and Transfers](#)

[2001 -- Comprehensive Performance Audit Update](#)

[1998 -- Comprehensive Performance Audit of the Portland Public Schools](#)

External Audit of Bond Projects

PPS contracts with external auditors for performance audits of capital projects funded with bond proceeds (Bond Projects) from the following bonds:

- 2012 School Building Improvement Bond - \$482 million
- 2017 Health, Safety and Modernization Bond - \$790 million

In addition to the accountability provided by external auditors who audit the capital projects funded with these bonds, oversight and accountability is provided by the Citizens Bond Accountability Committee ("BAC"). More information on the BAC can be viewed at: [BAC \(link to BAC page: https://www.pps.net/site/Default.aspx?PageID=464\)](https://www.pps.net/site/Default.aspx?PageID=464).

Additional information about capital projects funded with bond funds can be viewed on the School Building Improvement Bond Program page, see: [School Building Improvement Bond Program \(link to: https://www.pps.net/site/Default.aspx?PageID=464\)](https://www.pps.net/site/Default.aspx?PageID=464)

2017 Health, Safety and Modernization Bond audits:

[Status of implementation of 2017 Bond Performance Audit recommendations](#)

[2020 – 2017 Bond Performance Audit Year 2 – ETA March 2020?](#)

[2019 – 2017 Bond Performance Audit Year 1 Phase 2 of 2](#)

[2019 – 2017 Bond Performance Audit Year 1 Phase 1 of 2](#)

2012 School Building Improvement Bond audits:

[Status of implementation of 2012 Bond Performance Audit recommendations](#)

[2017 – 2012 Bond Construction Program – Audit 4 of 4](#)

[2016 – 2012 Bond Construction Program – Audit 3 of 4](#)

[2015 – 2012 Bond Construction Program – Audit 2 of 4](#)

[2014 – 2012 Bond Construction Program – Audit 1 of 4](#)

External audits of the Comprehensive Annual Financial Report (CAFR) and Report on Requirements for Federal Awards

PPS contracts with external auditors for audits of the District's CAFR and expenditures for federal grant funds. Below is a list of the District's CAFRs. The audit reports from the external auditors is included in the CAFR. The table of contents included will identify what pages the "Independent Auditor's Report" can be found on (Typically pages 13-16). Similarly, the audit report on the report on requirements for federal awards is also included in the reports listed below. The table of contents included will identify what pages the two auditor reports ("Independent Auditor's Report on Internal Controls Over Financial Reporting" and "Independent Auditor's Report on Compliance for Each Major Federal Program") can be found on (Typically pages 1-6).

For the last two years, (2018-19 and 2019-20) the District's CAFR audit and report on requirements for federal awards have resulted in no findings/recommendations from the external auditor. As a result, there is no status of implementation of recommendations document included. In the advent future CAFR audits and report on requirements for federal awards result in findings/recommendations, tracking of the implementation of those items will be included below.

Comprehensive Annual Financial Reports (CAFR)

Year Ending June 30, 2019
Year Ending June 30, 2018
Year Ending June 30, 2017
Year Ending June 30, 2016

Year Ending June 30, 2015
Year Ending June 30, 2014
Year Ending June 30, 2013
Year Ending June 30, 2012
Year Ending June 30, 2011
Year Ending June 30, 2010
Year Ending June 30, 2009
Year Ending June 30, 2008
Year Ending June 30, 2007
Year Ending June 30, 2006
Year Ending June 30, 2005
Year Ending June 30, 2004
Year Ending June 30, 2003

Report on Requirements for Federal Awards

REPORT ON REQUIREMENTS FOR FEDERAL
AWARDS 2019
REPORT ON REQUIREMENTS FOR FEDERAL
AWARDS 2018
A-133 Report 2017
A-133 Report 2016
A-133 Report 2015
A-133 Report 2014
A-133 Report 2013
A-133 Report 2012
A-133 Report 2011
A-133 Report 2010
A-133 Report 2009
A-133 Report 2008
A-133 Report 2007
A-133 Report 2006
A-133 Report 2005

Oregon's Secretary of State (SoS) – Audit Services

In January of 2019 the SoS's Audit Services issued an audit report completed of Oregon Department of Education and Portland Public Schools. The audit report states the purpose of the audit was to examine spending transparency, controls, and priorities of both the Oregon Department of Education and PPS, and determine additional actions these agencies can take to improve student achievement.

See audit report at: [SoS Audit Report](#)

See the status of the implementation of the recommendations made in the report at: [Status of implementation of SoS recommendations](#)

The PPS Board should:

26. Ensure that district administrators prioritize key steps to improve the efficiency and effectiveness of district operations, including:

c. Addressing inequities at high-poverty schools, **HS31** including high turnover, low teacher experience, and initiative overload. **AC based on subsections** **W F.1.12** **"Obstacle 1"**

and **W F.1.12** **"Obstacle 4"** ✓

e. Tracking teacher and principal issues with the board's student discipline objectives and the administration's efforts to address them. **AC based on Discipline issues discussed in subsection**

W F.1.12 **"Obstacle 3"** ✓

W F.1.12

Systemic obstacles to performance affect students at PPS's high-poverty schools the most

PPS has focused on improving educational equity in recent years. The district is taking steps now that could help improve results for high-poverty schools, which typically have high populations of African-American and Latino students. **For previous two sentences, for examples of steps to improve results for high-poverty schools, see RR1 below. High-poverty schools typically have high populations of African-American and Latino students, see E.5.70 SPC tab Row 18 R2** ✓

However, the district needs to address five preventable structural inequities that disproportionately affect students at high-poverty schools: **See five bullets below, corresponding to sub-sections** ✓

- 1 • High staff turnover and lower teacher experience;
- 2 • Higher absences and more difficulty finding substitutes;
- 3 • A disconnect between teachers and administrators on managing student conduct;
- 4 • Initiative overload; and
- 5 • Low enrollment.

Many of these schools also receive extra funding through the district **AC based on TM E.5.2 tab "School Budget Report," showing that the schools with highest poverty rates (Column H) receive additional equity FTE weights (Column O)** ✓ and through Federal Title I grants, **AC based on TM E.5.2 tab "School Budget Report," showing that the schools with highest poverty rates (Column H) receive Title I FTE weights (Column R)** ✓ which are designed for high-poverty schools. **TM F.1.18 P4 RR4** ✓ Title I schools serve a disproportionate number of students of color. **See next sentence** Districtwide, 17% of PPS's white K-8 students attend Title I schools compared to roughly 60% of the district's African-American and Latino K-8 students. **E.5.70 SPC tab Row 21 R1** ✓

Figure X: PPS's Title I schools mostly serve lower grades and are located in relatively low-income areas and more students living in poverty **TM E.7.55** ✓

2019-20 Audit Committee (“Committee”) Work Plan

2/6/2020 Status Update

1. **Reviews and recommends actions on 2017 Bond Audit and ongoing oversight of implementation of recommendations**
 - 2/6/2020: External bond auditors will provide a verbal update on the status of the fiscal year 2019-20 audit. The Committee will review the status of implementation of recommendations document and discuss how the Committee will monitor the implementation of the recommendations.
2. **Oversight of the Office of Internal Performance Audit’s (“OIPA”) Internal Performance Audit Plan (2019-20: Contracts Audit, ACH Audit, P-Card Review)**
 - 2/6/2020: OIPA will provide an update on the status of audits underway:
 - Contracts Audit Update: The Committee can expect the audit report in early March 2020.
 - ACH Audit Update: The initial meeting with the District’s finance department was held 2/5/2020 to discuss the ACH Audit. OIPA anticipates getting started on the planning incrementally throughout the month of February and an entrance conference to be held with the department in early March.
 - P-Card Audit Update: The audit has not been started yet but will begin immediately following the ACH Audit.
3. **Reviews and recommends actions on Annual Financial Audit (CAFR) and ongoing oversight of implementation of recommendations.**
 - 2/6/2020: **Completed** – Audit report was completed and discussed in last Meeting. No findings or recommendations were included in the audit report, as a result, no ongoing oversight of implementation of recommendations is necessary at this time.
4. **Initiation and Support for the OIPA**
 - 2/6/2020: Annual operating budget for the OIPA – Committee to discuss the OIPA budget ask for 2020-21 emailed to Committee members on 1/16/2020. OIPA will also discuss with the Committee options related to a Hotline. OIPA will also discuss the progress on the risk assessment that is underway that will inform the draft audit plan proposal for the 2020-21 year. ETA on presentation of draft to the Audit Committee is a June 4, 2020.
5. **Reviews District response to Secretary of State Audit (Board and Management)**
 - 2/6/2020: A status update on the implementation of the recommendations made by SOS will be presented by Deputy Superintendent Claire Hertz. Additionally, the Committee will discuss the update score card template created by District Management for the reporting on the status of the implementation of any recommendations included in audit reports. – If the template is approved by the Committee, the Committee will request the template be used by all departments reporting to the Committee on the status of implementation of recommendations made by auditors.

6. Recommends external auditors to the Board

- 2/6/2020: The Committee will discuss the staff proposal for the extension of the District's current contract with TKW to continue the CAFR audit and Report on Requirements of Federal Awards audit.

2019-20 Audit Committee (“Committee”) Work Plan

Cumulative progress– as of 2/6/2020

1. Reviews and recommends actions on 2017 Bond Audit and ongoing oversight of implementation of recommendations

Committee meeting date:

- 10/9/2019: Initial discussion of the Committee Work Plan. See Committee meeting agenda and documentation at: <https://www.pps.net/Page/14445>.
- 12/5/2019: External bond auditors (Sjoberg Evashenk Consulting, Inc) presented the results of fiscal year 2018-19, Phase Two of Two audit results. (Fiscal year 2018-19 Phase One of Two audit results were issued in April, 2019). The auditors also discussed they had begun the planning for the fiscal year 2019-20 audit. See Committee meeting agenda and documentation at: <https://www.pps.net/Page/14445>
- 2/6/2020: External bond auditors will provide a verbal update on the status of the fiscal year 2019-20 audit. The Committee will review the status of implementation of recommendations document and discuss how the Committee will monitor the implementation of the recommendations.
- Outstanding: External bond auditors to provide the results of fiscal year 2019-20 audit along with the status of implementation of fiscal year 2018-19 audit recommendations.

2. Oversight of the Office of Internal Performance Audit’s (“OIPA”) Internal Performance Audit Plan (2019-20: Contracts Audit, ACH Audit, P-Card Review)

OIPA Internal Performance Audit Plan for 2019-20 (Contracts Audit and the P-Card Review) was approved by the Board on July 16, 2019. See meeting minutes at:

https://www.pps.net/cms/lib/OR01913224/Centricity/Domain/219/19_07_16_%20Minutes.pdf

Committee meeting date:

- 10/9/2019: The Committee discuss the addition of the ACH Audit to the current OIPA Internal Performance Audit plan for 2019-20 and concluded it would forward a recommendation to the full Board for the addition of the audit.
 - An amendment to the OIPA Internal Performance Audit Plan for 2019-20 (adding the ACH Audit) was approved by the Board on October 29, 2019. See meeting minutes at: https://www.pps.net/cms/lib/OR01913224/Centricity/Domain/219/19_10_29_Minutes.pdf
- 12/5/2019: OIPA provided a verbal update on the current status of the Contracts Audit that is currently underway. OIPA stated they anticipate wrapping up on the audit by the end of February 2020.
- 2/6/2020: 2/6/2020: OIPA will provide an update on the status of audits underway:
 - Contracts Audit Update: The Committee can anticipate the audit report in early March 2020.
 - ACH Audit Update: The initial meeting with the District’s finance department was held 2/5/2020 to discuss the ACH Audit. OIPA anticipates getting started on the

planning incrementally throughout the month of February and an entrance conference to be held with the department in early March.

- P-Card Audit Update: The audit has not been started yet but will begin immediately following the ACH Audit.

3. Reviews and recommends actions on Annual Financial Audit (CAFR) and ongoing oversight of implementation of recommendations.

Committee meeting date:

- 10/9/2019: Initial discussion of the Committee Work Plan. See Committee meeting agenda and documentation at: <https://www.pps.net/Page/14445>.
- 12/5/2019: External auditors discussed and presented the completed audit report for the fiscal year ended June 30, 2019. See documentation at: <https://www.pps.net/Page/14445>
- 2/6/2020: **Completed** – Audit report was completed and discussed in last Meeting. No findings or recommendations were included in the audit report, as a result, no ongoing oversight of implementation of recommendations is necessary at this time.

4. Initiation and Support for the Office of Internal Performance Audit (OIPA)

Committee oversight responsibilities for the initiation and support for the OIPA include the review, approval, and presentation of the following to the Board for final approval:

- PPS Internal Performance Audit Charter, and/or any amendments – **Completed as of October 15, 2019**
- OIPA's annual Internal Performance Audit Plan for 2019-20 – **Completed as of October 29, 2019**
- Annual operating budget for the OIPA - Outstanding
- The Auditor's annual performance evaluation – Outstanding
- Written audit reports, including findings and recommendations - Outstanding
- Ongoing oversight of the implementation of recommendations until recommendations are implemented by Management. – Outstanding

Committee meeting date:

10/9/2019

- PPS Internal Performance Audit Charter, and/or any amendments – Discussion about the presentation of the final audit charter to the Board on 10/15/2019.
 - The PPS Internal Performance Audit Charter was approved by the Board on October 15, 2019. See meeting minutes at:
https://www.pps.net/cms/lib/OR01913224/Centricity/Domain/219/19_10_15_Minutes.pdf
- OIPA's annual Internal Performance Audit Plan for 2019-20 – Discussion of the addition of the ACH Audit to the current OIPA Internal Performance Audit plan for 2019-20 and concluded it would forward a recommendation to the full Board for the addition of the audit.

- An amendment to the OIPA Internal Performance Audit Plan for 2019/20 (adding the ACH Audit) was approved by the Board on October 29, 2019. See meeting minutes at:
https://www.pps.net/cms/lib/OR01913224/Centricity/Domain/219/19_10_29_Minutes.pdf
- Annual operating budget for the OIPA – Not discussed in the 10/9/2019 Audit Committee meeting.
- The Auditor's annual performance evaluation – Discussed the auditor goals (performance expectation for the auditor). It was determined the key responsibilities identified in the position description for the Senior Internal Performance Auditor would be used as the performance expectations for the auditor. See Audit Committee meeting agenda and documentation at: <https://www.pps.net/Page/14445>.
- Written audit reports, including findings and recommendations – Not discussed in the 10/9/2019 Audit Committee meeting.
- Ongoing oversight of the implementation of recommendations until recommendations are implemented by Management. – Not discussed in the 10/9/2019 Audit Committee meeting.

12/5/2019

- PPS Internal Performance Audit Charter, and/or any amendments – **Completed as of October 15, 2019** – no discussion in the 12/5/2019 Audit Committee meeting.
- OIPA's annual Internal Performance Audit Plan for 2019-20 – **Completed as of October 29, 2019** – No discussion of any change to the approved audit plan in the 12/5/2019 Audit Committee meeting.
- Annual operating budget for the OIPA – Not discussed in the 12/5/2019 Audit Committee meeting.
- The Auditor's annual performance evaluation – Not discussed in the 12/5/2019 Audit Committee meeting.
- Written audit reports, including findings and recommendations – Not discussed in the 12/5/2019 Audit Committee meeting.
- Ongoing oversight of the implementation of recommendations until recommendations are implemented by Management. – Not discussed in the 12/5/2019 Audit Committee meeting.

2/6/2020

- PPS Internal Performance Audit Charter, and/or any amendments – **Completed as of October 15, 2019** – No planned discussion in the 2/6/2020 Audit Committee meeting.
- OIPA's annual Internal Performance Audit Plan for 2019-20 – **Completed as of October 29, 2019** – No planned discussion of any changes to the approved audit plan in the 2/6/2020 Audit Committee meeting.
- **Annual operating budget for the OIPA – Outstanding: – Committee to discuss the OIPA budget ask for 2020-21 emailed to Committee members on 1/16/2020. OIPA will also discuss with the Committee options related to a Hotline.**

- The Auditor's annual performance evaluation – Outstanding: No planned discussion in the 2/6/2020 Audit Committee meeting.
- Written audit reports, including findings and recommendations – Outstanding: No planned discussion in the 2/6/2020 Audit Committee meeting.
- Ongoing oversight of the implementation of recommendations until recommendations are implemented by Management. – Outstanding: No planned discussion in the 2/6/2020 Audit Committee meeting.
- OIPA's annual Internal Performance Audit Plan – OIPA will also discuss the progress on the risk assessment that is underway that will inform the draft audit plan proposal for the 2020-21 year.- ETA on presentation of draft to the Audit Committee is a June 4, 2020.
- Status of the stand up and administrative infrastructure of the OIPA - ETA on presentation to the Audit Committee is April 2, 2020.

5. Reviews District response to Secretary of State ("SOS") Audit (Board and Management)

Committee meeting date:

- 10/9/2019: Deputy Superintendent Claire Hertz presented a status update on the implementation of the recommendations made by the SOS. See SOS Recommendation Tracking Document at:
<https://www.pps.net/cms/lib/OR01913224/Centricity/Domain/219/SoS%20Response%20tracking%2010.9.19%20Final1.pdf>
- 12/5/2019: Committee discussion included a request from the Committee to update the SOS Recommendation Tracking Document previously provided to the Committee to a more user friendly color coded score card template.
- 2/6/2020: A status update on the implementation of the recommendations made by SOS will be presented by Deputy Superintendent Claire Hertz. Additionally, the Committee will discuss the update score card template created by the District Management for the reporting on the status of the implementation of recommendations included in audit reports. – If the template is approved by the Committee, the Committee will request the template be used by all departments reporting to the Committee on the status of implementation of recommendations made by auditors.

6. Recommends external auditors to the Board

- 2/6/2020: The Committee will discuss the staff proposal for the extension of the District's current contract with TKW to continue the CAFR audit and Report on Requirements of Federal Awards audit.
- Outstanding: Contracting with external auditors for the 2020-21 fiscal year audit of the CAFR



What type of incident would you like to report? (required)


Please Select
Abuse of Benefits
Accounting, Auditing, and Internal Financial Controls
Bullying
Code of Ethics Violation
Compliance and Regulation Violations
Conflict of Interest



Description:

Aggressive behavior that involves unwanted, negative actions repeated over time with an imbalance of power or strength. The influence may be social and/or physical.

Accountability & Integrity Hotline

Below is a list of categories for reporting concerns related to fraud, waste, and abuse. This list is intended to assist you in identifying the type of issue that matches your concern.

You are currently in the confidential and secure reporting structure of EthicsPoint. Below are the choices available to you. Please click on the arrow () to select the type of report you would like to make.

 Academic & Student Affairs	<ul style="list-style-type: none"> • Academic Misconduct • Alcohol / Drug Abuse • Cheating / Plagiarism • Credentials Misrepresentation • Financial Aid • Hazing • Sexual Harassment • Student Travel • Other
 Accounting & Financial	<ul style="list-style-type: none"> • Conflict of Interest and Purchasing Ethics • Donor Stewardship • Falsification of Contracts, Reports or Records • Improper Disclosure of Confidential or Sensitive Records • Misuse of University Assets • Payroll and Time Abuse • Purchasing and Expenditures • Theft or Conversion of University Property • Other
 Athletics	<ul style="list-style-type: none"> • Academic Misconduct • Eligibility Matters • Financial Aid Misconduct • Gambling or Fraudulent Activities • Improper Giving or Gifts • Inappropriate Agent Activities • Misuse of Athletic Department Property, Endorsements • Recruiting Misconduct • Sexual Misconduct • Substance Abuse • Other
 Human Resources	<ul style="list-style-type: none"> • American Disability Act Matters • Conflict of Interest • Discrimination or Harassment • Employee Benefits Abuses • Employee Misconduct • Hostile Work Environment • Inappropriate Supervisor Directive • Offensive or Inappropriate Communication • Sexual Harassment • Unsafe Working/Living Conditions • Workers Compensation or Disability Benefits Abuses • Other
 Information Technology	<ul style="list-style-type: none"> • Data Privacy/Data Integrity • Malicious / Inappropriate Use of Technology • Software Piracy/Intellectual Property Infringement • Theft • Other
 Research	<ul style="list-style-type: none"> • Conflict of Interest/Conflict of Commitment • Data Privacy • Environmental and Safety Matters • Fraud • Human or Animal Research • Intellectual Property Infringement, Misappropriation or Disclosure • Research Grant Misconduct or Misappropriation of Costs • Research/Scientific Misconduct • Other
 Risk and Safety	<ul style="list-style-type: none"> • Environmental, Safety, & Security Matters • Other
  Health Centers	<ul style="list-style-type: none"> • Healthcare Fraud • Insurance Issues • Patient Abuse/Physical or Verbal • Patient Care/Rights • Patient Privacy • Theft • Other
 Other	<ul style="list-style-type: none"> • Other matters of concern not specifically outlined above or matters that fall under multiple categories.

Purpose: To document the FY21/SY 20-12 budget request for OIPA.

Source: We used the actual expenditures from a similar sized internal audit department to assist in generating the estimates. Details of how the estimates were generated are included in the supplies and training & travel tabs in this workbook.

Account	Current year budget	FY 2021 SY 20-21	Notes
511220 Non-Represented Staff			
521000 PERS			
521310 PERS UAL			
522000 Social Security - FICA			
523100 Workers' Compensation	278,043	294,726	Sum of Current year salary and benefit related costs for current year multiplied by 1.06 (6%) as an estimate increase. - Per Nicole Bassen 6% is a good estimate to use for this.
523200 Unemployment Compensation			
524100 Group Health Insurance			
524200 Other Employer Paid Benefits			
524300 Retiree Health Insurance			
524530 Early Retirement Benefits			
531800 Local Mtgs./Non-Instr Staff Dev	4,000	4,000	Per Nicole Bassen this \$4,000 was added in a recent amendment -
534100 Travel, Local In District	-	250	See travel & training tab
534200 Travel, Out of District	-	2,500	See travel & Training tab
538990 Non-Instr Pers/Professional Sv	-	5,000	Anticipated annual cost - Contracted services - Hotline. I got the some contact information for vendors that PSU got quotes for when they set up its hotline. I have not had a chance to get quotes so I am basing the \$5,000 estimate the PSU's internal auditor stating that what they use in their budget
Non-Instr Pers/Professional Sv (Initial hotline set up cost)	-	1,500	Estimate one time costs related to the initial set up for the Hotline
541000 Consumable Supplies	-	500	See supplies tab
546000 Non-Consumable Supplies	-	500	See supplies tab
548000 Computer Equipment	-	1,000	See supplies tab
555010 Computers	-		
564000 Dues and Fees	-	1,500	See travel & Training tab
	282,043	311,476	

282,043

29,433 estimated Increase

Purpose:

To document our rationale for the supplies budget included in the OIPA 2020-20 Operating Budget Ask. See details of full budget ask in the budget est tab of this workbook.

**The Office of Internal Performance Audit
SY 2020-21 Supplies Budget request**

Consumable Supplies	\$ 500.00
Non-Consumable Supplies	\$ 500.00
Computer Equipment	\$ 1,000.00
	\$ 2,000.00

NOTE: Budget to account for one new laptop every other year.

Estimate based on the below actual expenditures for similar sized internal audit department

Supplies Budget

Dates	Description	Purchaser	Supplies	
			Expense	Balance
	Flash drives		\$ 57.12	\$ 57.12
	Folders, audit bag, mouse		\$ 182.61	\$ 239.73
	Books		\$ 321.13	\$ 560.86
			\$ 28.97	\$ 589.83
	cleaning supplies		\$ 45.17	\$ 635.00
	Standing Desk		\$ 567.02	\$ 1,202.02
	surge protector		\$ 23.67	\$ 1,225.69
	Canceled surge protector		\$ (23.67)	\$ 1,202.02
	Laptop		\$ 1,750.26	\$ 2,952.28
	Docking station		\$ 115.61	\$ 3,067.89
	Surge protector		\$ 8.41	\$ 3,076.30
	Consumable Supplies		\$ 643.41	
	Non-Consumable Supplies		\$ 567.02	
	Computer equipment		\$ 1,865.87	
			\$ 3,076.30	

Purpose

To document our rational for the Training & Travel budget included in the OIPA 2020-20 Operating Budget Ask.
See details of full budget ask in the budget est tab of this workbook.

The Office of Internal Performance Audit SY 2020-21 Training and Travel Budget request	
Training/ professional development	\$ 4,000.00
Fees and Dues	\$ 1,500.00
Travel	\$ 2,500.00
Local travel	\$ 250.00
	\$ 8,250.00

Estimate based on the below actual expenditures for similar sized internal audit department

Registrations, Memberships, and Travel Budget			Registration		Travel		
Dates	Description	Attendee	Location	Expense	Balance	Expense	Balance
	ALGA and IIA Training		Online	\$ 600.00	\$ 600.00	\$	-
	CGCS Fall Conference		Cleveland	\$ 175.00	\$ 775.00	\$	-
	CGCS Fall Conference Air and Hotel		Cleveland		\$ 775.00	\$ 1,139.85	\$ 1,139.85
	CGCS CFO Conference Hotel		Miami		\$ 775.00	\$ 844.11	\$ 1,983.96
	CGCS CFO Conference Air		Miami		\$ 775.00	\$ 551.40	\$ 2,535.36
	ECI Certification & Membership Renewal			\$ 445.00	\$ 1,220.00		\$ 2,535.36
	SCCE Renewal			\$ 295.00	\$ 1,515.00		\$ 2,535.36
	WASBO Membership			\$ 175.00	\$ 1,690.00		\$ 2,535.36
	IIA Membership			\$ 150.00	\$ 1,840.00		\$ 2,535.36
	CGCS CFO Conference Registration		Miami	\$ 200.00	\$ 2,040.00		\$ 2,535.36
	CGCS Travel Reimbursement		Cleveland		\$ 2,040.00	\$ 193.43	\$ 2,728.79
	IIA Luncheon		Seattle	\$ 45.00	\$ 2,085.00		\$ 2,728.79
	CGCS Travel Reimbursement		Miami		\$ 2,085.00	\$ 348.23	\$ 3,077.02
	CPE Solutions			\$ 299.00	\$ 2,384.00		\$ 3,077.02
	ACFE PacNW Local Dues and Training			\$ 94.00	\$ 2,478.00		\$ 3,077.02
	ACFE PacNW National Membership			\$ 175.00	\$ 2,653.00		\$ 3,077.02
	ACFE local Dues and Training			\$ 94.00	\$ 2,747.00		\$ 3,077.02
	IIA Puget Sound Fraud Conference			\$ 195.00	\$ 2,942.00		\$ 3,077.02
	ACFE PacNW Fraud Conference			\$ 100.00	\$ 3,042.00		\$ 3,077.02
	ACFE Dues			\$ 225.00	\$ 3,267.00		\$ 3,077.02
	IIA Dues			\$ 160.00	\$ 3,427.00		\$ 3,077.02
	Fred Pryor			\$ 199.00	\$ 3,626.00		\$ 3,077.02

