

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

## Cumulative progress– as of 6/29/2020

### **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.
- 6/29/2020: Per a recent update from the external auditors they are wrapping on the audit and would be happy to present the results of the audit in an upcoming Audit Committee meeting. For efficiencies, they would prefer the presentation be part of a joint committee meeting with the Audit Committee and the School Improvement Bond Committee.

### **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](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](https://www.pps.net/cms/lib/OR01913224/Centricity/Domain/219/19_10_29_Minutes.pdf)
- 12/5/2019: OPIA provided a verbal update on the current status of the Contracts Audit that is currently underway. OPIA stated they anticipate wrapping up on the audit by the end of February 2020.
- 2/6/2020: OIPA provided 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.
- 6/29/2020: OIPA provided the below update on the status of the 2019-20 Audit Plan.
  - Contracts Audit: OIPA will present the results of the audit to the Committee in the meeting today (6/29/2020).
  - ACH Audit: The audit is currently underway. OIPA anticipates the report will be ready for the Committee to review by the end of August 2020.
  - P-Card Audit: 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.
- 6/29/2020 **Completed** – Audit report was completed and discussed in December 2019 Committee 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 - **Completed as of February 6, 2020**
- The Auditor’s annual performance evaluation – Outstanding
- Written audit reports, including findings and recommendations - Ongoing

- Ongoing oversight of the implementation of recommendations until recommendations are implemented by Management. – Ongoing

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](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](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.

#### 6/29/2020

The below update was provided to the Committee in the 6/29/20 Committee meeting.

- Annual operating budget for the OIPA – The Committee discussed the OIPA budget for the 2020-21 in the February 2020 meeting. The option to create a Hotline was discussed and it was determined not to move forward with the Hotline in the 2020-21 school year. Per discussion with the Committee OIPA will continue to gather information about the hotline during the 2020-21 fiscal year and reconsider a hotline in the 2021-22 budget request.
  - OIPA staff participated in the District’s Work Share program that included a salary reduction of 20% through the end of July 2020.
  - There are no currently proposed budget cuts to OIPA for the 2020-21 school year.
- Risk Assessment and Audit Plan for the 2020-21 school year

OIPA is currently gathering input for the risk assessment from a variety of PPS stakeholders, Board members, District leadership and PPS staff. In addition to input from PPS stakeholders, OIPA will include risks identified by the Secretary of State’s Audit report as well as any other risks identified by OIPA into the following risk categories:

**PPS Vision Risks:** Any risks identified that would impact the District’s ability to achieve the PPS Vision. This category is very broad and intended to capture any risks they may not fall into one of the other risk categories.

**Reputational Risks:** Any risks that may negatively affect public perception of PPS and/or PPS reputation.

**Financial Risks:** Any risks that may lead to a loss of resources that would be needed to run operations and serve students.

**Compliance Risks:** Any risks related to a violation of PPS policies, state and federal laws, rules and regulation.

**IT Risks:** Any risks related to the security of PPS data.

**Health and Safety Risks:** Any risks related to the health and safety of PPS students and facility.

**RESJ Risks:** Any risk related to racial equity and social justice.

Next steps:

Once OIPA obtains input from PPS stakeholders OIPA will assess the level of risks identified in each of the categories and use that information to inform the drafting of the proposed audit plan for the 2020-21 school year.

OIPA plans to provide the Committee with a proposed Audit Plan for review and feedback by the end of August 2020.

NOTE: If you have any PPS stakeholders you would like to ensure OIPA obtains input from, please email contact information to Janise Hansen: [jhansen2@pps.net](mailto:jhansen2@pps.net)

- Annual performance evaluation for OIPA’s Senior Internal Performance Auditor:

The initial drafting of the performance evaluation is currently underway by Committee member Director DePass. Once the draft is completed, it will be circulated to the Committee members for review and feedback. Once the draft has been reviewed and approved an executive session will be schedule to share the results of the evaluation with OIPA’s Senior Internal Performance Auditor.

## 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.
- 6/29/2020: Discussion of the status of the implementation of the SOS audit recommendations is planned for the meeting today (6/29/2020).

#### **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.
- 6/29/2020: **Completed:** In the February 2020 Committee meeting the Committee discussed 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. Per discussion the Committee agreed with staff's proposal to extend the current contract with TKW for an additional three years. The Committee requested District's Management to include in the memo to the Board that the extension was approved by the Committee and the Committee is recommending the extension to the full Board. The memo from District Management and the contract extension was presented to the Board in the meeting on 3/3/2020. The Board approved the contract extension in that meeting.