

## **Agenda**

1. 5:00 pm - Office of Internal Performance Auditors (OIPA) Activity - 30 min.
  - ACH Audit Status Update
  - Purchase Card Audit Status Update
  - Risk Assessment / Proposed Audit Plan Status Update
  - OIPA Performance Measures
2. 5:30 pm - Committee Discussion: 2020-2021 Audit Committee Work Plan - 15 min.
3. 5:45 pm - Committee Discussion: 2019-20 evaluation and 2020-2021 goals for the Senior Internal Performance Auditor - 10 min
4. 5:55 pm - Status Update: Secretary of State Recommendation Implementation Status Update - 20 min.
5. 6:15 pm - Public Comment - 10 min.
6. 6:25 pm - Status Update / Committee Discussion: Audit Committee Community Members - 5 min.
7. 6:30 pm - Adjourn



Audit Committee Meeting Date: September 16, 2020

OIPA Status Update Agenda:

- ACH Audit – Status Update
- PCard Audit – Status Update
- Risk Assessment – Proposed Audit Plan – Status Update
- OIPA Performance Measures – brief discussion of the below performance measures

**Performance Measures**

Some industry standard performance measures include the following:

- Average hours to complete an audit and the number of audits completed;
- Number of audit completed per full time equivalent (FTE) employee;
- Audit hours per department;
- Auditee feedback; and
- Recommendation implementation rate

See “Performance Measures For Audit Organizations Tool”

- **Next steps:** With the go ahead from the Audit Committee, OIPA will prepare a presentation for the October Audit Committee meeting for review/discussion/adoption.

**Performance Measures for Audit Organizations - AUDIT ORGANIZATION - YEAR**

The performance measures and descriptions in this tool match those in the guidance. The tool uses the information you enter to calculate the performance measures. The yellow highlighted cells have the formulas necessary to calculate the performance measures. Each performance measure is described throughout the tool and identifies information needed to complete the calculation of the measure. **Remember, these measures are not required. Pick the measures that best fit your organization's needs.**

The first input section is information/measures that are from ALGA's Benchmarking Survey. Enter your data in the green shaded cells. These inputs are used to calculate the Performance Measures for Audit Organizations.

The second input section is for the Performance Measures for Audit Organizations. Enter your data in the green shaded cells. This section uses some of the data from the first input section. You will also need to make changes to information in the light blue shaded cells by picking the appropriate answer or adding a little information.

The next tab is "Performance Report" which takes the inputs and calculations from the "Input" tab to prepare a report containing the results for both ALGA's Benchmarking Survey and Performance Measures for Audit Organizations.

ALGA Benchmarking Survey Information & Measures	
0.0	Total staff in audit office
0.0	Number of audit staff including directors/CAE
0.0	Average years of audit experience
0.0	Number of employees in entire organization
0	Number of residents in jurisdiction
\$0	Total audit office expenditures
\$0	Total organization expenditures
will be calculated	Percent of audit staff with audit-related certifications (CIA, CPA, CGAP, CFE, CISA, etc.)
will be calculated	Percent of staff meeting CPE requirements
\$0	Savings attributed to audit activities
0	Number of recommendations made
both will be calculated	Number/Percent of recommendations agreed to by management
0	Number of audits
0	Number of non-audit services
0.0	Non-audit services hours
0.0	Audit hours (Direct hours: audits, nonaudit svcs, projects)
0.0	Indirect hours (i.e. meetings, training, travel, admin, etc.)
0.0	Benefit hours (i.e. vacation, sick leave, etc.)

Instructions/Directions
enter your information in the green shaded cells
yellow shaded cells use data already entered or calculated cells
you will need to change information in light blue shaded cells

The performance measures below calculate **direct** financial impact which can be comprised of savings as well as new revenues.

**Performance Measures for Audit Organizations**

The performance measures below match those in the guidance. Remember, these measures are not required. Pick the measures that best fit your organization's needs.

Instructions/Directions
enter your information/goal in the green shaded cells
yellow shaded cells use data already entered or calculated cells
you will need to change information in light blue shaded cells

**Percent of Staff with Professional Certifications and/or Advanced Degrees**

Measure Addresses: Quality

Description	Data Needed	Audit Staff w/Certifications	Total Audit Staff	Percent of Staff with Professional Certifications
Establishing and maintaining audit quality and value is important to audit organizations. One way to demonstrate audit quality and value is to highlight the professionalism, qualifications, competence, and quality of the audit staff by reporting the percentage of audit staff with audit-related certifications (CIA, CPA, CGAP, CFE, CISA, etc.). Some audit organizations may also track and report on advanced degrees held by audit staff to demonstrate the quality and competence of audit staff. A variation on this measure can also be used to identify the total number of certifications/advanced degrees held by staff.	Number of audit staff, including directors/CAE.	0.0	0.0	calculated based on input
	Number of audit staff* with professional certifications.	Audit Staff w/Advanced Degrees	Total Audit Staff	Percent of Staff with Advanced Degrees
	Number of audit staff* with advanced degrees.	0.0	0.0	calculated based on input
	*Note: Count audit staff w/multiple certifications as "1". Count audit staff with m/advanced degrees as "1". Count audit staff w/certification and/or advanced degrees as "1". Reported numbers should not exceed total staff size.	Audit Staff w/Certifications or Advanced Degrees	Total Audit Staff	Percent of Staff with Professional Certifications or Advanced Degrees
		0.0	0.0	calculated based on input

**Percent of Staff Meeting Continuing Professional Education Requirements and/or Average Number of Continuing Professional Education Hours per Audit Staff**

Measure Addresses: Quality

Description	Data Needed	Number of Audit Staff Meeting CPE Requirements	Total Audit Staff	Percent of Audit Staff Meeting CPE Requirements
All audit organizations should comply with a set of generally accepted audit standards, all of which require minimum continuing professional education requirements (CPEs) to maintain competency. Staff in audit organizations that follow Government Auditing Standards are required to obtain 80 CPE hours every two years. In addition, to maintain professional certifications, auditors must comply with the certifying organization's continuing education requirements. Tracking CPE allows audit organizations to determine whether audit staff are in compliance with audit standards and/or the requirements for their professional certifications (i.e., CIA, CISA, CPA, etc.). Internally tracking CPE courses and hours can help audit organizations ensure staff competency. Reporting CPE hours to external parties such as elected officials allows audit organizations to show training requirements are met and a commitment to maintaining and improving a competent and quality staff.	Number of CPE hours required for each audit staff member (based on audit standards and professional certifications).	0.0	0.0	calculated based on input
	Number of actual CPE hours earned by each audit staff member.	Total Number of CPE Hours	Total Audit Staff	Average CPE Hours per Audit Staff
	Total number of CPE hours.			

0.0

0.0

calculated based on  
input

**Results of External Peer Review**

Measure Addresses: Quality

Description	Data Needed	Previous Peer Review (mm/dd/yyyy)	Results of Previous Peer Review	Most Recent Peer Review (mm/dd/yyyy)	Results of External Peer Review	Publicly Available?
Audit organizations that adhere to professional auditing standards are required to establish and maintain audit quality. Government Auditing Standards mandate that auditor organizations undergo a peer review by external audit professionals every three years and make the peer review report publicly available. The International Standards for the Professional Practice of Internal Auditing require an external assessment every five years. A peer review provides an independent opinion on an audit organization's quality control system and compliance with the standards. It helps ensure independence, objectivity, and competence. Having a peer review allows audit organizations to answer the question "Who audits the auditors?" and demonstrate to elected officials, management and the public that the audit organization produces quality work in accordance with the standards and they can rely on this work. Audit organizations can report the dates of the previous and most recent peer reviews, the results (Pass, Pass with Deficiencies, or Fail), and whether the report is publicly available (upon request, website, etc.).	Previous and most recent peer review reports.  <i>Pick the result for your previous and current peer review from the list in the cells and delete the others. &gt;&gt;</i>  <i>Note if peer review report is publicly available and how: Yes or No, Website, On Request, etc. &gt;&gt;</i>	01/01/1900	Pass / Pass w/Deficiencies / Fail	01/01/1900	Pass / Pass w/Deficiencies / Fail	Yes, Website / Yes, Upon Request / No

**Estimated Direct Financial Impact**

Measure Addresses: Outcome

Description	Data Needed	Amount	Estimated Direct Financial Impact
Identifying a direct financial impact related to audit findings and recommendations is a common and longstanding performance measure used to demonstrate audit value to elected officials, management, and the public. This measure uses the actual or estimated financial impact of audit recommendations; including reduced or avoided costs, recoveries, increased revenues, improved efficiency and productivity. Direct financial impact is calculated by identifying one-time or recurring financial impacts over two to five years. For example, a recurring financial impact could be implementation of a fee increase that would not have occurred if not for an audit recommendation. <i>Explanatory Information:</i> The assumptions and methods used to estimate direct financial impact should be disclosed with each estimate.	<b>One-time</b> actual or estimated financial impact identified by auditors and/or management related to reduced or avoided costs, recoveries, increased revenues, or improved efficiency and productivity.	\$0	\$0
	<b>Recurring</b> actual or estimated financial impact identified by auditors and/or management related to reduced or avoided costs, recoveries, increased revenues, or improved efficiency and productivity over two to five years. <i>Enter the number of years (2-5) you are using for recurring impact. &gt;&gt;</i>	0	\$0

**Estimated Indirect Financial Impact**

Measure Addresses: Outcome

Description	Data Needed	Amount	Estimated Indirect Financial Impact
Not all audit recommendations, such as those related to internal controls, lead to direct financial impact, so demonstrating their value can be difficult for audit organizations. One way to estimate the value of audit recommendations that are intended to better protect, secure, or ensure the proper handling/use of revenues, expenditures, or assets is to identify the amount of revenues, expenditures, or assets of the process, activity, or program the recommendations are intended to protect. For example: internal control recommendations are made to improve how cash is being handled or processed for \$1 million in revenues. Implementation of the audit recommendations would improve the security over \$1 million in revenue or make \$1 million in revenue more secure. The assumptions and methods used to estimate indirect financial impact should be disclosed with each estimate. <i>Explanatory Information:</i> Be careful to clearly note this is not savings or new revenues.	<b>One-time</b> estimated value of revenues, expenditures, or assets affected by recommended internal control improvements.	\$0	\$0
	<b>Recurring</b> estimated value of revenues, expenditures, or assets affected by recommended internal control improvements over two to five years. <i>Enter the number of years (2-5) you are using for recurring impact. &gt;&gt;</i>	0	\$0

**Estimated Non-Financial Impact**

Measure Addresses: Outcome

Description	Data Needed	Total Non-Financial Impact
Audit recommendations often help support or improve the entity's operations or services and their benefits cannot always be measured in dollar terms. These benefits can be referred to as having a non-financial impact. For example, when implementation of audit recommendations result in a program being able to provide more services for the same amount of funding or improve the ethical climate within the entity. <i>Explanatory Information:</i> The assumptions and methods used to estimate non-financial impact should be disclosed with each estimate.	Estimated improvements (service, equity, efficiency, etc.). Actual improvements (service, equity, efficiency, etc.) reported by management.	Narrative summary, anecdotal, or qualitative story to describe the potential or actual impact.

**Percent of Audit Recommendations Agreed to by Management**

Measure Addresses: Outcome

Description	Data Needed	Number of Audit Recommendations Agreed to	Number of Audit Recommendations	Percent of Audit Recommendations Agreed to by Management	Goal %
The primary benefits of the work of audit organizations include government accountability, reduced costs, increased revenues, and improved services. Auditing alone does not directly produce these benefits; they only come from the implementation of audit recommendations. Recommendations are more effective with management's support. One way to measure the effectiveness of recommendations is to track the percentage of recommendations agreed to by management compared to a target or goal for this measure. However, to ensure the auditor's continued independence, that goal typically should not be 100 percent as there are likely to be instances in which management and the audit organization disagree on audit findings, conclusions, and the resulting recommendations.	Number of recommendations. Number of recommendations agreed to by management. Target/goal: X% of recommendations agreed to by management.  <i>Note your goal. &gt;&gt;</i>	0	0	calculated based on input	0%

**Percent of Audit Recommendations Implemented**

Measure Addresses: Outcome

Description	Data Needed	Goal: Implemented w/ 'X' Years	Number of Audit Recommendations Implemented	Number of Audit Recommendations	Percent Audit Recommendations Implemented	Goal %
The primary benefits of the work of audit organizations include government accountability, reduced costs, increased revenues, and improved services. Auditing alone does not directly produce these benefits; they only come from the implementation of audit recommendations, which is the responsibility of management. Management's agreement to implement recommendations does not guarantee actual implementation. Therefore, tracking the actual implementation rate is another method to measure the effectiveness of our audit work. Audit organizations typically state a goal of X% implemented within a specified number of years (i.e. 2, 3, or 4). Many audit shops also track and report on the implementation status of pending or open audit recommendations (e.g., partially implemented, not implemented).	Number of recommendations. Number of recommendations implemented based on management's assertions/reports or audit follow-up. Target/goal: X% implemented within X years.  <i>Note your goals. Implementation period &amp; %.&gt;&gt;</i>	0	0	0	calculated based on input	0%

**Number/Percent of Planned Audits Issued**

Measure Addresses: Output

Description	Data Needed	Number of Audits Issued	Goal #		
The production of audit reports represents audit organizations' primary activity. Using this measure, audit organizations can compare the number of reports issued during the year to a target/goal for the number of audits planned for the year. Because audit duration depends on many factors, audit organizations should explain significant variances. Tracking the measure over time can provide insight into: -Sufficiency of audit staffing relative to established requirements for audit services (as represented by the annual audit plan); - Adequacy of annual planning processes (including estimates of required resources per project, or sufficiency of time allocated to emergent projects; -Relationship between audit staff competencies versus desired audit work (for example, long learning-curve times that delay completion of information technology (IT) audits might indicate need for added IT audit skills); -Sufficiency of the auditor's access to records, staff, or other information. <i>Explanatory Information:</i> Calculations of this measure may need to be adjusted when, for example, a single (large or complex) audit project is published in multiple reports or when audits are added to the plan during the year. Like all measures, it is best considered as part of a balanced set of performance measures.	Number of audits issued. Target/goal for number of audits issued. Number of audits in annual plan. Number of audits from annual plan issued. Target/goal for % of audits from plan issued.  <i>*Number of planned audits should be adjusted when a single audit is subdivided and multiple reports have been and/or will be produced. Explanatory Information:</i> Significant staffing changes during the period. Diversion of resources to emergent issues beyond those allocated in the plan. Audits deferred or extended due to limitations on staff competency.	0	0		
		Number of Audits in Annual Audit Plan	Number of Audits from Annual Audit Plan Issued	Percent of Planned Audits Issued	Goal %
		0	0	calculated based on input	0%

**Number of Nonaudit Services Issued/Provided and/or Percent of Direct Hours Allocated to Nonaudit Services**

Measure Addresses: Output

Description	Data Needed	Number of Nonaudit Services Issued	Goal #		
Audit organizations may perform nonaudit services such as special projects, investigations, or preliminary survey work on allegations of fraud, waste, or misuse of public funds. Although not an audit, nonaudit services represent another activity that can be a factor in measuring performance. Audit organizations may or may not have specific goals/targets for the number of nonaudit services to complete during the year. Audit organizations may also track the number/percent of direct hours (not administrative, or benefit hours) allocated to nonaudit services.  <i>Note your goal. &gt;&gt;</i>	Number of nonaudit services issued. Target/goal for the # of nonaudit services issued/provided. Nonaudit services hours and total direct hours.	0	0		
		Direct Hours (audits, nonaudit services, projects)	NonAudit Services Hours	Percent of Direct Hours Allocated to NonAudit Services	Goal %
		0.0	0.0	calculated based on input	0%

**Average Staff Hours Per Audit**

Measure Addresses: Efficiency

Description	Data Needed	Number of Audits Reports	Total Hours for Audit Reports	Average Staff Hours per Audit	Goal Avg Hrs
<p>For audit organizations, the primary resource used to produce audit reports is staff time. Audit organizations can measure their overall productivity and the effectiveness of how they accomplish their work by measuring the resources used to produce that work. This measure determines the average number of hours used to produce each audit report. Audit organizations may wish to set an annual target/goal or track this number over time. However, because the hours spent conducting an audit vary based on the complexity of different audits as well as staff competencies and audit methodologies, audit organizations may wish to set targets/goals based on ranges of hours to account for this variability.</p> <p><i>Explanatory Information:</i> Audit organizations may include explanatory information to discuss any significant year-to-year differences.</p>	<p>Number of audit reports. Total hours for audit reports. Target/goal for the average hours per audit.</p> <p><i>Note your goal. &gt;&gt;</i></p>	0	0	calculated based on input	0

**Ratio of Direct, Indirect, and Benefit Hours to Total Hours**

Measure Addresses: Input

Description	Data Needed	Hours by Category	Ratio of Hours	Goal %
<p>Staff time is the primary resource used by audit organizations to produce audit reports. Another measure of the audit organization's productivity/efficiency as well as that of individual staff members looks at how time is used to produce audits and other work products versus time used for meetings, training, administrative tasks, or leave. This measure identifies the ratio of direct hours (time spent producing audits, nonaudit services, and other work products), indirect hours (meetings, training, administrative tasks, etc.), and benefit hours (vacation, sick leave, etc.) to total hours. Audit organizations may wish to set an annual target/goal for the organization or staff members.</p>	<p>Direct Hours (audits, nonaudit services, projects) Target/goal: X% of total hours.</p>	0.0	calculated based on input	0%
	<p>Indirect Hours (meetings, training, travel, admin, etc.) Target/goal: X% of total hours.</p>	0.0	calculated based on input	0%
	<p>Benefit Hours (vacation, sick leave, etc.) Target/goal: X% of total hours.</p>	0.0	calculated based on input	0%
				calculated based on input

Performance Measures for Audit Organizations - Performance Report - AUDIT ORGANIZATION - YEAR

Information & Measures from ALGA Benchmarking Survey	Performance Measures for Audit Organizations	Results	
Total staff in audit office		0.0	
Number of audit staff including directors/CAE		0.0	
Average years of audit experience		0.0	
Number of employees in entire organization		0.0	
Number of residents in jurisdiction		0	
Total audit office expenditures		\$0	
Total organization expenditures		\$0	
Percent of audit staff with audit-related certifications (CIA, CPA, CGAP, CFE, CISA, etc.)	Percent of Staff with Professional Certifications	calculated based on input	
	Percent of Staff with Advanced Degrees	calculated based on input	
	Percent of Staff with Professional Certifications or Advanced Degrees	calculated based on input	
Percent of staff meeting CPE requirements	Percent of Staff Meeting CPE Requirements	calculated based on input	
	Average CPE Hours per Audit Staff	calculated based on input	
	Date of <b>Previous</b> External Peer Review	01/01/1900	
	Results of <b>Previous</b> External Peer Review	Pass / Pass w/Deficiencies / Fail	
	Date of <b>Most Recent</b> External Peer Review	01/01/1900	
	Results of <b>Most Recent</b> External Peer Review	Pass / Pass w/Deficiencies / Fail	
	Peer Review Results Publicly Available & How?	Website / Yes, Upon Request / No	
Savings attributed to audit activities		\$0	
	Estimated One-time <b>Direct</b> Financial Impact	\$0	
	Estimated Recurring <b>Direct</b> Financial Impact	\$0	
	Total <b>Direct</b> Financial Impact	\$0	
	Estimated One-time <b>Indirect</b> Financial Impact	\$0	
	Estimated Recurring <b>Indirect</b> Financial Impact	\$0	
	Total <b>Indirect</b> Financial Impact	\$0	
	Estimated Non-Financial Impact	Narrative summary, anecdotal, or qualitative story to describe the potential or actual impact.	
Number of recommendations made		0	
Number of recommendations agreed to by management	Number of Audit Recommendations Agreed to by Management	0	
Percent of recommendations agreed to by management	Percent of Audit Recommendations Agreed to by Management	calculated based on input	0% goal
	Percent of Audit Recommendations Implemented Within 'X' Years	calculated based on input	0% goal
Number of audits	Number of Audits Issued	0	0 goal
	Percent of Planned Audits Issued	calculated based on input	0% goal
Number of non-audit services	Number of Nonaudit Services Issued/Provided	0	0 goal
	Percent of Direct Hours Allocated to Nonaudit Services	calculated based on input	0% goal
Non-audit services hours		0	
Audit hours		0	
Indirect hours (i.e. meetings, training)		0	
Benefit hours (i.e. vacation, sick leave)		0	
	Average Staff Hours per Audit	calculated based on input	0 goal
	Ratio of Direct Hours	calculated based on input	0% goal
	Ratio of Indirect Hours	calculated based on input	0% goal
	Ratio of Benefit Hours	calculated based on input	0% goal

**Audit Committee Work Plan  
School Year 2020-21**

**(Note: Primary responsibilities of the Audit Committee, the “Committee”, is in the appendix.)**

<p><b>Color coding:</b>          CAFR related topics          2012/2017 Bond auditors topics          AC Chair Tasks          SOS related          Contracts Audit related          Auditor Performance          Evaluation/OIPA Expectation</p>	<p>AC = Audit Committee</p>	
<p align="center">July – 2020</p> <p>No regularly scheduled AC meeting</p> <p><b>Documents needed for advanced posting for Aug Joint Bond/AC meeting:</b></p> <ul style="list-style-type: none"> <li>● Joint Bond/AC meeting agenda</li> <li>● Bond Audit report</li> <li>● Bond auditors presentation slides</li> </ul>	<p align="center">August - 2020</p> <p>No regularly scheduled AC meeting</p> <p>Joint Bond/AC meeting 8/31 – agenda presentation of the 2017 Bond Performance Audit report (Year two report)</p>	<p align="center">September - 2020</p> <p><b>Regularly scheduled AC meeting: 9/16/20</b></p> <p>Agenda items:</p> <ul style="list-style-type: none"> <li>● OIPA activity status update – 30 minutes</li> </ul> <p>Topics:</p> <ul style="list-style-type: none"> <li>● ACH audit – status update</li> <li>● PCard Audit – status update</li> <li>● Risk Assessment/proposed audit plan – status update</li> <li>● OIPA – performance measures – brief thoughts for consideration</li> <li>● 2020-21 AC Work Plan - Discuss/approval AC work plan. Any changes from the current work plan?</li> </ul> <p>Discuss status of Auditor’s 2019-20 Performance Eval - Discuss goal setting for PPS Internal Auditor for the 2020-21 period (NOTE: Not the same as OIPA Performance Measures)</p> <ul style="list-style-type: none"> <li>● Status of SoS recommendation implementation</li> <li>● Recommendation on AC members</li> </ul>

<p style="text-align: center;">October – 2020</p> <p><b>Regularly scheduled AC meeting: 10/14/20</b></p> <p>Agenda items:</p> <ul style="list-style-type: none"> <li>● OIPA activity status update (15-30 min)</li> <li>● Discuss/review/approve draft 2020-21 Audit plan proposal - OIPA to do a brief presentation (10 min - 30 minutes for discussion questions)</li> <li>● Review/discuss/approve PPS Auditor goals</li> <li>● Review/discuss/approve – OIPA Performance Expectations – NOTE: OIPA to do a short presentation on topic (requesting 15 minutes for presentation and 15 minutes for Q&amp;A)</li> <li>● Implementation of Contracts Audit recommendations – Implementation plan due from District Management 10/1/2020</li> </ul>	<p style="text-align: center;">November – 2020</p> <p>No regularly scheduled AC meeting</p> <p style="color: red;">Present 2020-21 audit plan proposal to full Board for approval at the first Board meeting in November.</p>	<p style="text-align: center;">December – 2020</p> <p><b>Regularly scheduled AC meeting: 12/2/20</b></p> <p>Agenda items:</p> <ul style="list-style-type: none"> <li>● OIPA activity status update (15-30 min)</li> <li>● Status of SoS recommendation implementation</li> <li>● Presentation of CAFR/Federal Expenditure audit results from external auditors.</li> </ul>
<p style="text-align: center;">January – 2021</p> <p><b>Regularly scheduled AC meeting: 1/13/21</b></p> <p>Agenda items:</p> <ul style="list-style-type: none"> <li>● OIPA activity status update (15-30 min)</li> <li>● Discuss OIPA budget proposal – OIPA to present budget ask <ul style="list-style-type: none"> <li>○ Need to review/discuss/and approve</li> </ul> </li> <li>● Status of Contract audit implementation of recommendations</li> </ul>	<p style="text-align: center;">February – 2021</p> <p><b>Regularly scheduled AC meeting: 2/24/21</b></p> <p>Agenda items:</p> <ul style="list-style-type: none"> <li>● OIPA activity status update (15-30 min)</li> </ul>	<p style="text-align: center;">March – 2021</p> <p>No regularly scheduled AC meeting</p>

<ul style="list-style-type: none"> <li>● Consider/discuss/determine whether the AC wants to do an RFP for the Bond Auditors whose contract expires 6/30/2022 (but is renewable via 1 year renewals through 6/30/2026.</li> </ul>		
<p style="text-align: center;">April – 2021</p> <p><b>Regularly scheduled AC meeting: 4/7/21</b></p> <p>Agenda items:</p> <ul style="list-style-type: none"> <li>● OIPA activity status update (15-30 min)</li> <li>● Discuss drafting of Auditor’s performance evaluation</li> <li>● Status of SoS recommendation implementation</li> <li>● Status of Contract audit implementation of recommendations</li> </ul>	<p style="text-align: center;">May – 2021</p> <p><b>Regularly scheduled AC meeting: 5/19/21</b></p> <p>Agenda items:</p> <ul style="list-style-type: none"> <li>● OIPA activity status update (15-30 min)</li> <li>● Discuss status of Auditor’s performance evaluation <ul style="list-style-type: none"> <li>○ Evaluation due by 6/30/21.</li> </ul> </li> </ul>	<p style="text-align: center;">June – 2021</p> <p><b>Regularly scheduled AC meeting: 6/30/21</b></p> <p>Agenda Items:</p> <ul style="list-style-type: none"> <li>● OIPA activity status update (15-30 min)</li> <li>● OIPA to do a presentation of OIPA performance expectations report. (requesting 15 minutes for the report presentation and 15 minutes for questions)</li> <li>● Confirm completion of Auditor’s performance evaluation or discuss ETA/status</li> <li>● Staff presentation of staff proposal related to Bond auditor contract <ul style="list-style-type: none"> <li>○ AC to discuss/consider/determine whether AC will do a RFP for the next Bond Auditor contract. If yes, they will need to make that decision in June 2021</li> </ul> </li> <li>● Status of SoS recommendation implementation</li> </ul>

## 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](#)

### 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

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Secretary of State Audit Reesponse Scorecard								
SoS #	SoS Recommendation Description	Q1 2019	July 2019	September 2019	December 2019	March 2020	June 2020	Septmeber 2020
#3	Investigate and report on potential savings areas in depth, including the level of executive administration, use of substitute teachers and educational assistants due to educator absences, health benefits, bus services, legal services, and building utilization.	On target	On target	On target	On target	On Target	On Target	On Target
	(a) Executive administration	On target	On target	On target	On target	On Target	On Target	On Target
	(b) Teacher absenteeism and use of paraeducators	On target	On target	On target	On target	On Target	On Target	On Target
	(c) Transportation services	Behind Schedule	Behind Schedule	Behind Schedule	Behind Schedule	Behind Schedule	Behind Schedule	Behind Schedule
	(c) Legal Services	Completed	On target	On target	Completed	Completed	Completed	Completed
	(c) Facilities usage	On target	On target	On target	Completed	Completed	Completed	Completed
	(f) Employee benefits: Additional Board action	On target	Completed	Completed	Completed	Completed	Completed	Completed
#4	Conduct regular and public peer benchmarking to identify potential savings areas and spending challenges. Identify peer districts using objective criteria, such as enrollment, level of poverty, and other demographic factors.	On target	On target	On target	On target	On Target	On Target	On Target
	(b) Board action: District's audit action plan approved; audit underway	Completed	Completed	Completed	Completed	Completed	Completed	Completed
#5	Make its budget more clear and transparent to the public, including staffing and spending by program over time, key performance indicators, and analysis of key initiative outcomes.	On target	On target	On target	On target	On Target	On Target	On Target
#6	Improve controls over purchasing card use. Improvements include requiring management review for at least non-standard and high-dollar transactions, and improving policy guidance on appropriate businesses purposes, taxpayer-funded meals, parties, student incentives, gifts, and use of unusual merchants. Also, the district should improve aggregate analysis of card use data to identify spending trends and unusual transactions.	On target; Board approved a P-Card Review as part of the 2019-20 Audit Plan	On target	On target	Completed	Completed	Completed	Completed
#16	In developing a common core curriculum for schools, ensure adequate training for teachers- particularly new or inexperienced teachers.	On target	On target	On target	On target	On Target	On Target	Completed
#	Meals and Travel Policy - Meal Policy	On target, First Reading occurred; In Public Comment Period	On target	On target	On target			Completed

Secretary of State Audit Reesponse Scorecard								
SoS #	SoS Recommendation Description	Q1 2019	July 2019	September 2019	December 2019	March 2020	June 2020	Septmeber 2020
#	Student Conduct policy	Behind Schedule		On target	On target; in Public Comment	Behind Schedule	Behind Schedule	Behind Schedule
#17	Develop a strategic plan that sets concrete performance measures for improved student outcomes and discusses in depth the staffing, resources, interim steps, and improvements to the District's operations and organizational culture needed to reach those outcomes.	On target	On target	On target	On target	On Target	On Target	On Target
#18	Maintain a consistent feedback loop with teachers, educational assistants, parents, and other stakeholders regarding student conduct issues, particularly as they affect Title I schools and other high-poverty schools. Address teacher concerns about lack of clarity in school policies and lack of consistent behavior standards.	On target	On target	On target	On target	On Target	On Target	On Target
	(b) Data Tracking tool and coaching	Behind Schedule	Behind Schedule	Behind Schedule	Behind Schedule	Behind Schedule	Behind Schedule	Behind Schedule
	(c) Supports for students with substance use disorder and mental health challenges	On target	On target	On target	On target	On Target	On Target	On Target
	(d) Supports for students with immediate behavioral challenges	On target	On target	On target	On target	On Target	On Target	On Target
	(e) Student Threat Assessment Team	Completed	Completed	Completed	Completed	Completed	Completed	Completed
	(f) Discipline referral form and process	On target	On target	On target	Completed	Completed	Completed	Completed
	(g) Review of Board policies and student rights and responsibilites handbook	Completed	On target	On target	Completed; Policy in Public comment	Completed	Completed	Completed
#19	Prioritize development and stability of effective principals by providing incentives and additional support, particularly at high-poverty schools. Supports include reducing turnover of principal supervisors, stabilizing District leadership, improving collaboration between principals and central administrators, improving hiring practices, streamlining initiatives, increasing collaboration between central office departments, and evaluating initiative results.	On target	On target	On target	On target	On Target	On Target	On Target
#20	Work with union officials to address transfer and hiring issues that promote high turnover and lower teacher experience at high-poverty schools. Also address remaining contract issues raised in the recent investigation of teacher misconduct, including retention of educator records and reducing administrative obstacles to filing a complaint.	On target	On target	On target	On target	On Target	On Target	On Target

Secretary of State Audit Reesponse Scorecard								
SoS #	SoS Recommendation Description	Q1 2019	July 2019	September 2019	December 2019	March 2020	June 2020	Septmeber 2020
	(b) Board adoption of a new Professional Conduct between Staff and Students policy and Out-of-District travel	Completed		On target	Completed	Completed	Completed	Completed
#21	While working to improve instructional quality, address other obstacles that create inequities at high-poverty schools. Strategies include changes to attendance rules, boundary changes, and practices that could encourage retention of high-quality principals and teachers at high-poverty schools, such as additional pay, enhanced training, and additional classroom support.	On target	On target	On target	On target	On Target	On Target	On Target
	(b) Board allocated funds to address enrollment imbalances and facilities utilization....	On target	On target	On target	On-Going	On Target	On Target	On Target
	(c) Compensation for teachers is directly tied to contract negotiations with PAT..	On target	On target	On target	On target	On Target	On Target	On Target
#22	Ensure consistent performance evaluation depth and quality by training administrators to set high expectations and improve the depth of reviews. Periodically review evaluations for quality.	On target	On target	On target	On target			
	(b) Cross-functional OSP and HR team has begun review and coaching process for evaluations	On target	On target	On target	On target	On Target	On Target	On Target
#23	Regularly track teacher and principal turnover and the number of initiatives at schools and publicly report on it, with a particular focus on high-poverty schools.	On target	On target	On target	On target	On Target	On Target	On Target
#24	Adopt policies and practices that ensure strong management of contract and grant performance, particularly for non-competitive contracts and initiatives directly serving students, including consolidating contract management responsibilities.	On target	On target	On target	Complete	Completed	Completed	Completed
#25	Use the strategic planning process to evaluate the most effective and efficient use of contracts designed to increase student performance.	On target	On target	On target	Completed	Completed	Completed	Completed
#26	The PPS Board should: Ensure that district administrators prioritize key steps to improve the efficiency and effectiveness of district operations, including:	On target						
	a. Building an effective common core curriculum based on state standards and ensuring adequate school support and accountability for performance.	On target						



## **We're looking for a community member to serve on our District Audit Committee**

Do you have experience with performance audits? Portland Public Schools is looking to fill out our district Audit Committee with a community member.

The Audit Committee was established to protect the independence of the district's audit program. It consults with and advises the PPS internal auditor to help ensure the smooth and efficient functioning of the district.

The committee is appointed by the PPS School Board, 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, one community member position is vacant. If you have auditing experience and would like to apply, please submit a letter of interest and resume to [msalvador@pps.net](mailto:msalvador@pps.net). More information on PPS performance audits is available [here](#).

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