

Audit Committee Meeting
Thursday, March 2, 2023 4:00 PM

Dr. Matthew Prophet Education Center -
Windows Cafeteria / Conference Room (Floor
2)
501 N. Dixon St.
Portland, OR 97227

Agenda

- I. Welcome to the Audit Committee / Introductions
- II. Discussion about Bond auditor and Financial Statement auditor contracts
- III. Status of the Implementation of Recommendations - Contracts Audit Report
- IV. Status of the Implementation of Recommendations - PCard Audit Report
- V. OIPA annual report
- VI. Brainstorming future audit topics
- VII. OIPA Status Update - including discussion of the 2023-24 budget request
- VIII. Public Comment *To sign-up for public comment email PublicComment@pps.net or call 503-916-3741*

Contracts Audit Implementation Plan

Presentation to the Audit Committee on 3/2/2022 @ 4:00

2020 Contracts Audit Recommendations				Status		
#	Abbreviated Recommendation	Response	Responsible Administrator / Manager	Status:	OIPA Comments	District Response:
1	1. Re-evaluate internal controls to ensure all District staff who manage or work with contracts complete the mandatory contracting training course prior to the established deadline.	Agree	Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA
2	2. Maximize the benefit of the training course, by requiring the training course applicable for the contract term, to be completed by the required staff prior to initiating the contract.	Agree	Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA
2 a)	Consider changing the deadline for the required training course to August 1st of the applicable year.	Partly Agree	Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA
3	Develop and implement internal controls that will ensure a thorough and robust review and evaluation of the contracts performance is completed and documented prior to deciding whether or not a similar contract should be negotiated in the future	Agree	Instructional Leadership, RESJ leadership	Completed	Please provide a copy of the completed contract performance evaluation for of the following contracts for the 2022-23 school year (the performance evaluation would be for the 2021-2022 contract) 1. Open School 2. Self Enhancement 3. Latino Network	
3 a)	Update the contracting training course to include additional guidance and expectations related to review and evaluations	Agree	Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA

#	Abbreviated Recommendation	Response	Responsible Administrator / Manager	Status:	OIPA Comments	District Response:
3 b)	Utilize the content of the Board Cover Memo to create a template for Contract Managers to document the review and evaluation for all contracts.	Agree	Jonathan	On Target		The District is working collaboratively with impacted departments to establish a detailed process and set of templates for contract managers to complete that will detail clear deliverables, rationale, evaluation and supervisor approval (e.g. Board Cover Memo). The focus for the spring and early summer will be on clearly establishing and communicating processes and building capacity for contract managers and supervisors through training. Implementation will begin July 1, 2023.
3 c)	Require the review and evaluation be reviewed and approved by the Contract Manager's supervisor and submitted to the P&C Department for record keeping.	Partly Agree	RESJ Leadership & Instructional Leadership	On Target	<p>OIPA Note/Question: A review and evaluation of a contract's performance was required at the time we did the audit, however our testing showed they were not being completed as required. The intent of the recommendation was to add a layer of accountability (by requiring the supervisors approval) to ensure the review and evaluation of a contract's performance is completed, as required, before contracting for the services again.</p> <p>Please provide a narrative response to how the district ensures the required review and evaluation is completed before contracting for the services again.</p>	In the aforementioned process and required templates, the District will ensure there is clear approval from the contract manager's supervisor. Internal controls will include a monthly summary report provided to the Office of the Superintendent to monitor fidelity of implementation
3 d)	d) Increase transparency by saving all review and evaluations in a central and accessible location so they can be easily accessed and reviewed by stakeholders	Partly Agree	Emily Courtnage, Director of Purchasing & Contracting	On Target	<p>OIPA Note: Not requesting anything at this time. We may have a follow-up question depending on the District's response to some of the other recommendations above.</p>	Within Purchasing & Contracting, this is complete. PPS has implemented Cobblestone, which allows users to add reviews and evaluations and other docs to the central contract file, and Purchasing & Contracting instructs people in Cobblestone trainings as well as the annual contracting

#	Abbreviated Recommendation	Response	Responsible Administrator / Manager	Status:	OIPA Comments	District Response:
4	Develop and implement internal controls that will ensure all contracts include appropriate and specific deliverables, performance measures, expected outcomes, how the performance of the contract will be measured, and reporting requirements tailored to the particular contract.	Agree	Instructional Leadership & RESJ leadership	Completed	<p>OIPA Background Info: Personal service contracts should include appropriate and specific deliverables, performance measures, expected outcomes, how the performance of the contract will be measured, and reporting requirements tailored to the particular contract. This was required at the time we did the audit, however our testing showed not all contracts included this content.</p> <p>The intent of the recommendation was to have the district develop and implement an internal control to ensure appropriate and specific deliverables, performance measures, expected outcomes, how the performance of the contract will be measured, and reporting requirements tailored to the particular contract. Recommendations 4a, 4b, and 4c were made to indicate ways the district could implement this recommendation.</p> <p>For example: when asked "how does the district ensure all personal service contracts include appropriate and specific deliverables, performance measures, expected outcomes, how the performance of the contract will be measured, and reporting requirements tailored to the particular contract?" The district could respond by saying: 1. We require the use of the Specialized SOW template that has required fields for inputting this content into the contract. (recommendation 4a) 2. We require the appropriateness of the specific deliverables, performance measures, expected outcomes, how the performance will be measured, and reporting requirements tailored to the particular contract be reviewed and approved by a qualified Educational Specialist who is not involved with the management of the contract. (recommendation 4b) and 3. We required the completed Specialized SOW template to be uploaded into Cobblestone so it is easily assessible to stakeholders.</p> <p>OIPA Request:</p>	
4 a)	Require the use of the Specialized SOW template	Agree	Emily Courtnage, Director of Purchasing & Contracting	Completed	See OIPA notes above related to recommendation 4.	

#	Abbreviated Recommendation	Response	Responsible Administrator / Manager	Status:	OIPA Comments	District Response:
4 b)	Require the appropriateness of the specific deliverables, performance measures, expected outcomes, how the performance will be measured, and reporting requirements tailored to the particular contract be reviewed and approved by a qualified Educational Specialist who is not involved with the management of the contract.	Partly Agree	Jonathan Garcia	On Target	See OIPA notes above related to recommendation 4.	As previously mentioned, the District is implementing internal controls that includes, but is not limited to, a monthly summary report provided to the Office of the Superintendent to monitor fidelity of implementation in FY2024.
4 c)	Increase transparency by saving the completed Specialized SOW template in a central and accessible location so they can be easily accessed and reviewed by stakeholders.	Agree	Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA
5	Provide an update to the Board to communicate the District's phased implementation of the mandatory training requirements for contractors and the delay in full implementation.	Partly Agree	Legal - Mary Kane	Completed	OIPA Background Information: In a memo to the Board of Education (Board), dated October 29, 2019, District Management reported to the Board that all contracts with community partners who work with PPS students are required to complete the mandatory training modules, same as required of District staff. However our testing found contracts that should have included the mandatory training requirements did not include the requirement. Per the member of the Office of General Counsel leading the district's implementation of this requirement, for the 2019-20 school year, they worked with individual Contract Managers to include mandatory training requirements in contracts that were managed centrally by District administrative staff. The mandatory training courses requirement would be required for all contractors and their employees who interact with PPS students in the 2020-21 school year. OIPA Request:	
6	Develop and implement internal controls to ensure all mandatory training courses are included in all contracts that require interactions with students.	Partly Agree	Legal - Mary Kane and Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA

#	Abbreviated Recommendation	Response	Responsible Administrator / Manager	Status:	OIPA Comments	District Response:
6 a)	District Management develop detailed guidance and expectations related to the mandatory training requirement for contracts that require contractors and their staff to interact with PPS students.	Partly Agree	Legal - Mary Kane	Completed	Confirmed	NA
6 b) 6 c)	The P&C department communicate the detailed guidance and expectations to Contract Managers throughout the District	Agree	Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA
	Update the contracting training course to include guidance and expectations related to the inclusion of the mandatory training courses in applicable contracts; including if or when exceptions can be made and the process for obtaining an exception.	Agree	Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA
6 d)	Establish a clear and mandatory channel of communication between the P&C department and Contract Managers (in addition to the annual contracting training course) to communicate and distribute guidance and expectation for Contract Managers on topics related to contracting	Disagree	Emily Courtnage, Director of Purchasing & Contracting	Completed	NA	NA
7	7. Develop and implement internal controls to ensure the District obtains evidence that the contractors and their employees have completed the mandatory training course as required in the contract.	Agree	Legal - Mary Kane and Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA
7 a)	Develop adequately detailed guidance and expectations and communicate that content with Contract Managers.	Agree	Legal - Mary Kane and Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA

#	Abbreviated Recommendation	Response	Responsible Administrator / Manager	Status:	OIPA Comments	District Response:
7 b)	Include the list of mandatory training courses in applicable RFPs (or ITB).	Agree	Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA
7 c)	Consult with the Office of Technology & information Services (OTIS) to develop a streamlined process for the activation of the necessary PPS email addresses for the contractor and their staff to access the training courses in Pepper PD.	Agree	Legal - Mary Kane	Completed	Confirmed	NA
8	8. Develop and implement internal controls that will ensure: • Evidence of deliverables identified in the SOW are achieved/delivered, and • Reports obtained by the District as evidence of deliverables include all required information, agree with District data, and all required reports are obtained (i.e. all four of the four reports are obtained).	Agree	Instructional Leadership & RESJ leadership	On Target	OIPA Request: Please provide a narrative on how the district ensures: • Evidence of deliverables identified in the SOW are achieved/delivered, and • Reports obtained by the District as evidence of deliverables include all required information, agree with District data, and all required reports are obtained (i.e. all four of the four reports are obtained).	The District is working collaboratively with stakeholders to review and analyze current processes within departments to identify and scale best practices. After analysis is complete this spring and summer, any adjustments to internal controls will be scaled and implemented with a clear communication and training plan.
9	We also recommend the District management develop and implement internal controls that will ensure contract management responsibilities are being performed.	Agree	Instructional Leadership & RESJ leadership	On Target	OIPA Request: Please provide a narrative on how the district ensures contract management responsibilities are being performed.	The evaluation of responsibilities will be included in the aforementioned analysis and potential revisions to internal control processes.
10	We recommend the District develop and implement internal controls that will ensure the District has received a signed ROI form prior to releasing any student information and continue to prioritize obtaining ROI forms, until a signed ROI form is obtained for each student.	Partly Agree	Legal - Mary Kane and potentially others	Completed	Confirmed	NA

#	Abbreviated Recommendation	Response	Responsible Administrator / Manager	Status:	OIPA Comments	District Response:
11	We recommend the District perform and document an analysis of the District's obligation to secure student information from unauthorized re-disclosure under FERPA laws.	Agree	Legal - Mary Kane	Completed	Confirmed	NA
11 a)	We recommend the District consider specifically addressing each of the examples identified in the finding in its analysis.	Agree	Legal - Mary Kane	Completed	Confirmed	NA
12	We recommend the District develop a clear criteria for determining when a signed ROI form is required.	Agree	Legal - Mary Kane	Completed	Confirmed	NA
13	Develop and implement internal controls that will ensure the consistent application of a signed ROI form in applicable contracts.	Agree	Legal - Mary Kane and Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA
				Completed	Confirmed	NA
13 a)	We recommend the District consider providing Contract Managers with training that will detail guidance and expectations to ensure they have an adequate understanding of the criteria for which a signed ROI form is required and the District's obligation to secure student information from unauthorized re-disclosure under FERPA laws.	Partly Agree	Legal - Mary Kane	Completed	Confirmed	NA

#	Abbreviated Recommendation	Response	Responsible Administrator / Manager	Status:	OIPA Comments	District Response:
14	We recommend the District review contract payment processes and procedures for process improvements and efficiencies to ensure payments to contractors are made timely as required in the contract. Additionally, we recommend the District document the date the invoice was received.	Agree	Tracy Pinder, Director of Financial Services	Completed	OIPA Request: Please provide a narrative on how the district ensure it takes advantage of contractors who offer discounts; how they are monitored; and how they are communicated with AP.	Some suppliers may offer an early payment discount. The discount is indicated on the invoice and the payment terms are entered in the supplier maintenance in the financial system. Contract managers are responsible for monitoring potential discounts and taking advantage of contractors who offer discounts.
15	We also recommend the District consider centralizing the receipt of contract invoices.	Partly Agree	Tracy Pinder, Director of Financial Services	Completed	Confirmed	NA
16	To ensure contract management responsibilities are being performed as expected, we recommend the District develop and communicate detailed guidance and expectation related to contract management responsibilities.	Partly Agree	Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA
16 a)	a) Identify personal services contracts for student services as complex contracts and increase requirements for those contracts to include: o Develop an additional contract management training course that Contract Managers of complex contracts are required to complete prior to initiating the contract. o Require complex contracts include a contract administration plan (similar to that used by the State of Oregon) that is review and approved by the Contract Manager's supervisor and submitted to P&C for recordkeeping.	Partly Agree	Emily Courtnage, Director of Purchasing & Contracting	Completed	Confirmed	NA

#	Abbreviated Recommendation	Response	Responsible Administrator / Manager	Status:	OIPA Comments	District Response:
17	Develop and communicate oversight of contract management responsibilities, including how performance of contract management responsibilities will be evaluated. To achieve this, we recommend the District consider updating position descriptions to include contract management responsibilities and include an evaluation of the performance of these responsibilities in the staff member's annual performance evaluation.	Partly Disagree	Jonathan Garcia	On Target	OIPA Request: Please provide a narrative describing how contract management responsibilities are evaluated by the contract manager's supervisor.	The evaluation of contract manager responsibilities will be included in the aforementioned analysis to internal control processes and revisions will be considered based on the analysis.
18	Prior to assigning a Contract Manager, supervisors of the proposed Contract Manager should evaluate the positions' other roles and responsibilities to ensure those assigned contract management responsibilities have adequate time to perform the contract management responsibilities while also performing the roles and responsibilities in their position descriptions	Partly Disagree	Instructional Leadership & RESJ leadership	Completed	OIPA Request: Please provide a narrative from the supervisor of a contract manager that describes the consideration/evaluation of the roles and responsibilities of the contract manager, that ensures those assigned contract management responsibilities have adequate time to perform the contract management responsibilities while also performing the roles and responsibilities in their position descriptions	
19	We recommend the District take additional steps to implement a comprehensive and systematic approach to improve performance management of personal service contracts. To achieve this we recommend the District consider scaling the District's comprehensive and systematic approach to improve performance management of personal service contracts identified by the District as RESJ partnership contracts to include all of the District's personal service contracts with educational partners.	Partly Agree	Instructional Leadership & RESJ leadership	Completed	Confirmed	NA

#	Abbreviated Recommendation	Response	Responsible Administrator / Manager	Status:	OIPA Comments	District Response:
20	To address the SoS audit's call for increased transparency and oversight for the District's contracts we recommend the District consider publicly posting the review and evaluation of contracts (via the Board Cover Memo) and the SOW for contracts listed on the Board agenda for Board approval. This could increase transparency in contracting decisions while still safeguarding the majority of the content related to contractor payments.	Partly Agree	Jonathan	On Target		

PCard Audit Implementation Plan

Presentation to the Audit Committee on 3/2/23 @ 4pm

2021 PCard Audit Recommendations				Status Updates	OIPA Comments
#	Abbreviated Recommendation	Response	Responsible Administrator / Manager	Status update as of 12/8/2022	
1	1. PCard training modules, PCard Updates and Best Practices and the PCard Budget Holder Review & Sign Off Training, be required annually for all PCard and budget holders.	Partially Agree	Stephen Hirai, PCard Program Manager	Completed	Confirmed
2	PCard Department to discontinue the duplicative requirement to save supporting documentation for PCards in a Google folder in addition to uploading them in Works.	Agree	Stephen Hirai, PCard Program Manager	Completed	Confirmed
3	PCard Department requires evidence of completed PCard training to be submitted with the PCard application.	Agree	Stephen Hirai, PCard Program Manager	Completed	Confirmed
4	PCard holders to load appropriate supporting documentation into Works	Agree	Stephen Hirai, PCard Program Manager	Completed	Confirmed
5	PCard Program to continue to enforce appropriate disciplinary actions detailed in the PCard Infraction Table	Agree	Stephen Hirai, PCard Program Manager	Completed	Confirmed
6	PCard budget holders strengthen their review and approval processes to include a manual review of PCard receipts and/or other appropriate supporting documentation	Agree	Stephen Hirai, PCard Program Manager	Completed	Confirmed

7	PCard Infraction Table be updated to include a Level IV infraction as the budget holder's failure to timely review and sign off the PCard holders monthly transaction reconciliation; and identify, implement, and enforce appropriate discipline actions.	Agree	Stephen Hirai, PCard Program Manager	Completed	Confirmed
8	A. We recommend the PCard Program obtain a signed proxy form from all PCard budget holders who utilize a group proxy to reconcile monthly PCard transactions. -OR- B. We recommend the PCard Program update current guidance to reflect their current practice of notifying budget holders of the existing requirements.	Agree	Stephen Hirai, PCard Program Manager	Completed	Confirmed
9	A. We recommend the PCard Program Manager obtain a list of employee status changes at least every other week. -OR- B. We recommend the PCard Program Manager work with the Human Resources Department to obtain reports that identify an employee's last day at least every other week. This will enable the PCard Program Manager to follow up with the PCard holder related to any outstanding transactions and deactivate the PCard timely.	Agree	Stephen Hirai, PCard Program Manager	Completed	Confirmed
10	We recommend the PCard Program transition to a risk-based PCard transaction review procedure that includes a thorough and complete review of all high-risk transactions.	Partially Agree	Stephen Hirai, PCard Program Manager	Completed	Confirmed
11	We recommend the PCard Manager/Administrator review and update current MCC include and MCC exclude lists to ensure MCCs are not listed on both.	Agree	Stephen Hirai, PCard Program Manager	Completed	Confirmed

12	We recommend the PCard Program Manager/Administrator add the list of MCCs identified by OIPA to the MCC exclude list.	Partially Agree	Stephen Hirai, PCard Program Manager	Completed	Confirmed
13	We recommend the PCard Program Manager obtain and review Bank of America's Commercial Card Authorization Data Source System annual SOC 2 audit report on the design and operating effectiveness of its controls relevant to security, availability, processing integrity, and confidentiality. If concerns related to Works system are identified, the PCard Program Manager should determine the impact to the PPS PCard Program and implement mitigating internal controls when appropriate.	Agree	Stephen Hirai, PCard Program Manager	Completed	Confirmed



Office of Internal Performance Audit (OIPA)

Annual Report

Covering the 2019-20, 2020-21, and 2021-22 fiscal years

Issue Date: March 2023

Senior Internal Performance Auditor
Janise Hansen, CIA

Internal Performance Auditor
Mary Catherine Moore

About the Office of Internal Performance Audit

State and local governments can enhance credibility with taxpayers by implementing performance audits to support accountability and ensure tax dollars are spent as effectively as possible.

The Office of Internal Performance Audit (OIPA) was created by the Portland Public Schools (PPS) Board of Education (Board) in the fall of 2018. The authority of the OIPA is described in PPS Board Policy, District Performance Auditing (1.60.040-P) and the PPS Internal Performance Audit Charter, approved by the PPS Board in October 2019.

PPS performance auditing is an objective and systematic examination of evidence to provide an independent assessment of a government organization, program, activity, or function. The goal of these audits is to improve program effectiveness; improve the equity of service delivery; provide useful, objective, and timely information; strengthen administrative and management systems and controls; facilitate decision-making by parties with responsibility for overseeing or initiating corrective action; and improve student achievement District-wide. The objectives of performance audits vary, but generally address whether PPS is operating economically and efficiently, and/or whether it is achieving desired results.

The purpose of the internal performance audit function is to help improve the accountability and performance of PPS through independent auditing and reporting.

OIPA reports directly to the PPS Board and the Board's Audit Committee. This reporting structure was established to ensure the OIPA remains independent of PPS Management. Independence is essential to ensure that audit results are objective, and are communicated directly to the PPS Board. OIPA provides recommendations only, and does not have any authority to implement operational policies or procedures on behalf of the District.

OIPA is led by the Senior Internal Performance Auditor, Janise Hansen, CIA, hired by the PPS Board in September 2019. Janise has more than 10 years of experience auditing school districts including employment at Seattle Public Schools as a Senior Internal Auditor and at the Washington State Auditor's Office as an Assistant Audit Manager. In addition to Janise, the OIPA office staff includes Mary Catherine Moore, Internal Performance Auditor, who was hired in March 2019.

Audit Standards

The OIPA adheres to very rigorous and demanding professional auditing requirements described in Generally Accepted Government Auditing Standards, or more commonly referred to as GAGAS or the Yellow Book.

To meet audit standards, auditors are required to complete 80 hours of continuing professional education every two years.

Performance measures

The OIPA's performance is measured by reviewing results in the following areas:

- Number of audits completed per full time equivalent (FTE) employee; and
- Rate of management's agreement with recommendations
- Rate of recommendation implementation
- Auditee Survey Results

Audits per FTE

One way to measure efficiency is by looking at the number of audits completed per full-time equivalent (FTE) employee.

Below is the number audits issued in the last three years:

- Fiscal Year 2019-20: one audit issued
- Fiscal Year 2020-21: one audit issued
- Fiscal Year 2021-22: three audits issued

The length of each audit is affected by the complexity of the audit topic and audit scope.

The OIPA's target is to complete three audits per fiscal year (one and a half audits per FTE each year). Although we have not always met this target we are working to meet the goal consistently. Smaller scoped audits should help improve our efficiency in the coming year.

Rate of management's agreement with recommendations

The percentage of recommendations management agrees with, helps gauge the impact of the audit. The OIPA's target is management agrees with 75 percent of the recommendations.

During the 2019-20, 2020-21, and 2021-21 fiscal years OIPA issued a total of 31 recommendations; management agreed with 29 and disagreed with two. This is a 94 percent rate of recommendations management has agreed with.

Recommendation implementation rate

The percentage of recommendations implemented shows how much impact audits have on the school district. The OIPA asks audited programs to report on the status of implementation of recommendations made in the last three years. That information is used to track the percent of recommendations implemented after an audit is released.

During the 2019-20, 2020-21, and 2021-21 fiscal years, OIPA has confirmed the implementation of 22 of the 31 recommendations made. This places the implementation rate at 71 percent. Although none of the reports have been issued for five years yet, with the current implementation rate of 71 percent, we do anticipate meeting our target of 75 percent of recommendations being implemented within five years.

Auditee Feedback Survey

The OIPA developed the Internal Performance Audit Feedback Survey. The survey will be provided to PPS staff members who were directly involved in the audit. The survey is set up so responses to the survey are anonymous.

Below is a list of questions that are included in the survey:

1. OIPA auditors solicited feedback from you and your team and considered your input throughout the audit.
2. The audit objectives, purpose, and scope of the audit were clearly communicated.
3. The scope of the audit (i.e., the processes, activities, period of coverage was sufficient and key risks were covered).
4. The auditor's requests for information were reasonable and clearly communicated.
5. OIPA auditors appeared fair, reasonable, and objective throughout the audit and offered quality feedback.
6. OIPA auditors took actions to minimize the impact on your daily operations (e.g., provided meeting agendas, coordinated mutually agreeable meeting times, and started and finished meetings on time).
7. Audit observations and results of the audit were communicated fairly, clearly, accurately, and in a timely manner.
8. Any concerns you brought to the OIPA auditors were addressed and differences of opinion, if any, were resolved before the final audit results were communicated.
9. The results or outcome of the audit added value to your department by providing feedback and recommendations on improving your operations and internal controls.
10. Were there aspects of the audit that you were particularly pleased with?
11. Were there aspects of the audit that you would like to see changed?
12. If you would like to be contacted by OIPA or the Chair of the Audit Committee to discuss this survey, please indicate below and provide contact information.

For questions one through nine of the survey, there is a choice to select from the following choices to answer the question:

- Excellent
- Good
- Fair
- Poor
- N/A (not applicable)

Questions 10 and 11 are open ended questions so there is space available to provide a response. For question 12, no response is required unless they would like to be contacted.

The OIPA has not established a target expectation related to the results of the Auditee Feedback Survey. The OIPA will provide the results of the Auditee Feedback Survey each year in its Annual Report.

We have not issued an audit report since the Auditee Feedback Survey was approved by the Audit Committee. As a result, we do not have any results to share at this time. We look forward to providing this information in the next Annual Report.

Audit Topics Previously Considered

Operational Areas / Programs	2016 Risk Assessment		SoS Audit
	Inherent	Control	
Support System for Principals Audit	n/a	n/a	Recommendation #19
<p>Objectives/Goals: To determine whether the new structure to better support schools and communities, and enhance coaching and embedding practices of instructional excellence has been fully implemented and whether the new structure is achieving the goal to increase principal competency and reduce turnover of principals. The newly designed structure aims at increasing the amount of school visits and principal mentorship by more than 50% compared to the previous structure.</p>			
<p>Background Information: The SoS report indicated the District faces challenges in the organizational culture, including the division between central administrators, principals, and teachers. The SoS report indicated in the audit results that the Board should ensure that the District's strategic plan addresses challenges in the organizational culture, including the division between central administrators, principals, and teachers. They also stated: "PPS should prioritize development stability of effective principals by providing incentives and additional support, particularly at high-poverty schools."</p>			
<p>Risks: Lack of District leadership support to principals can affect accountability, reduce quality, and lose trust and confidence between school based leaders, educators, and District administration.</p>			
<p>Estimated Hours: 800</p>			
<p>Assessment/Audit Scope, includes but not limited to:</p> <ol style="list-style-type: none"> 1) Evaluate roles and responsibilities of the Area Assistant Superintendents and Area Senior Directors. 2) Review tracking record of school visits and outcomes. 3) Compare data from the previous structure to the new structure to determine results and improvement. 4) Interview principals to get feedback regarding the new structure, particularly at high-poverty schools. 5) Interview leaders of PPS' teachers' union, the Portland Association of Teachers (PAT), to get their views/input. <p>Address the following questions:</p> <p>Has the new structure of support for Principals helped increase principal competency and reduced turnover of principals? How is success of the change in structure determined/measured?</p>			

Operational Areas / Programs	2016 Risk Assessment		SoS Audit
	Inherent	Control	
Performance Measures Audit	4	3.8	Recommendations #17, #18, #26a
<p>Objectives/Goals: Determine if the District is using performance measures to help identify students who are struggling or underperforming academically and providing assistance or additional support to increase students' achievement.</p>			
<p>Background Information: The SoS report stated that although PPS has seen substantial improvement in graduation rates, PPS is still behind most national comparison Districts. The SoS report emphasized the need to better monitoring and improving students' academic achievements and noted substantial achievement gaps based on race and economic status remain. In addition to the comments included in the SoS report, previous contracted audits have suggested a need for better tracking of student performance.</p>			
<p>Risks: Lack of or ineffective monitoring and evaluation of student performance could prevent the District from identifying student who are struggling or underperforming and providing assistance or additional support to increase students' achievement. Students graduating from PPS may not meet the District's Graduate Portrait.</p>			
<p>Estimated Hours: 600</p>			
<p>Assessment/Audit Scope, includes but not limited to:</p> <ol style="list-style-type: none"> 1) Identify resources, tools, metrics, and measurements to track student performance. 2) Examine data that is captured. 3) Verify the frequency of data review. 4) Determine how the current measurements/ results are communicated. 5) Evaluate if students who are struggling academically are receiving additional support, particularly in low income schools, and how they are monitored to ensure there is a continuous progress. 6) Interview teachers to get their views on how students are progressing. <p>Answer the following questions:</p> <p>How are student performance measures identified, tracked, monitored, and used as a decision making input to support student achievement?</p>			

Operational Areas / Programs	2016 Risk Assessment		SoS Audit
	Inherent	Control	

Audit Topics Previously Considered

Measure 98 Audit	N/A	N/A	N/A
Objectives/Goals: Determine whether the District is compliant with the requirements of Measure 98.			
Background Information: Measure 98, formally called the Oregon State Funding for Dropout Prevention and college Readiness Initiative, would require the Legislature to appropriate at least \$800 per high school student, per school year, for the District to create or expand college-level education opportunities, career and technical education program and drop-out prevention strategies. The goal of Measure 98 is to improve Oregon's graduation rate and provide students with more opportunities for career readiness, and also to prevent students from dropping out and keep them on tract to graduate in all Oregon high schools.			
Risks: The District may lack adequate internal controls to ensure compliance with Measure 98. The District may not have an adequate data management system that provides timely reports on students grades or progress.			
Estimated Hours: 500			
Assessment/Audit Scope, includes but not limited to:			
<ol style="list-style-type: none"> 1) Review of how Measure 98 funds are spent and monitored for the three programs. 2) Evaluate the implementation of activities to prevent or reduce chronic absenteeism, and increase graduation. 3) Evaluate the management systems that provides timely reports on students grades, achievements, and absences. 4) Evaluate the disciplinary actions by schools to address the absenteeism issue. 5) Determine if reasons for student absenteeism are recorded for trending purposes and also to help identify the appropriate resources to help students or families. 6) Review measurements that are used to determine and track students' progress, and identify measures used to assist students who struggle academically and/or continue to with absenteeism. 			

Operational Areas / Programs	2016 Risk Assessment		SoS Audit
	Inherent	Control	
School Audits	n/a	n/a	n/a
Objectives/Goals: The primary focus of school audits will be on financial internal controls related to cash handling and receipting (including gate receipts and petty cash funds for applicable schools). In addition to cash handling and receipting, the school audits will also include procedures related to the following: field trips, support organization's fundraising efforts, ASB/SBF fundraising, approval of leave time for the school's staff, and nutrition standards.			
Background Information: Although the District does provide training related to financial internal controls however, the District does not provide a standard operating procedures.			
Risks: Without standard operating procedures, there is an increased risk that school do not have adequate financial internal controls that will ensure the safeguarding of District funds.			
Estimated Hours: 600			
Assessment/Audit Scope, includes but not limited to:			
<ol style="list-style-type: none"> 1) Review cash handling and receipting training, policies, and procedures applicable to school buildings. 2) Review and test financial controls in place at the schools to determine whether controls are in place and operating as intended to ensure the safeguarding of District funds. 3) Field Trips - Are fund trips properly approved and supervised by an adequate number of qualified chaperones? 4) Support organization's fund raising efforts and/or ASB fundraising - Are fund properly categorized, are funds used for allowable purposes? 5) Crowdsourcing Fundraisers - Does the District have a policy that prohibits any District sponsored crowdsourcing fundraisers, such as GoFundMe, SnapRaise, and Kiskstarter? If yes, does the school prohibit such fundraisers? If no, are financial controls in place to ensure the safeguarding of these funds? 6) Leave Time approval - Does the school have adequate procedures in place to ensure the time and accurate recording of employee absences? 7) Nutrition Standards - Does the school have adequate controls in place to ensure that foods sold to students during the official school day meet the District's nutrition standards. This will focus on food and beverages sold outside the District's Nutrition Services Department. 			

Summary OIPA Audit Plan Proposal for 2023-24

1. School Building Security Audit
2. Measure 98 Audit
3. Career and Technical Education (CTE) Audit

Audit from prior year proposal but not selected for audit.

Operational Areas / Programs	2016 Risk Assessment		SoS Audit
	Inherent	Control	
Support System for Principals Audit	n/a	n/a	Recommendation #19

Objectives/Goals: To determine whether the new structure to better support schools and communities, and enhance coaching and embedding practices of instructional excellence has been fully implemented and whether the new structure is achieving the goal to increase principal competency and reduce turnover of principals. The newly designed structure aims at increasing the amount of school visits and principal mentorship by more than 50% compared to the previous structure.

Background Information: The SoS report indicated the District faces challenges in the organizational culture, including the division between central administrators, principals, and teachers. The SoS report indicated in the audit results that the Board should ensure that the District's strategic plan addresses challenges in the organizational culture , including the division between central administrators, principals, and teachers. They also stated: "PPS should prioritize development stability of effective principals by providing incentives and additional support, particularly at high-poverty schools."

Risks: Lack of District leadership support to principals can affect accountability, reduce quality, and lose trust and confidence between school based leaders, educators, and District administration.

Estimated Hours: 800

- Assessment/Audit Scope, includes but not limited to:**
- 1) Evaluate roles and responsibilities of the Area Assistant Superintendents and Area Senior Directors.
 - 2) Review tracking record of school visits and outcomes.
 - 3) Compare data from the previous structure to the new structure to determine results and improvement.
 - 4) Interview principals to get feedback regarding the new structure, particularly at high-poverty schools.
 - 5) Interview leaders of PPS' teachers' union, the Portland Association of Teachers (PAT), to get their views/input.

Address the following questions:
 Has the new structure of support for Principals helped increase principal competency and reduced turnover of principals? How is success of the change in structure determined/measured?

Operational Areas / Programs	2016 Risk Assessment		SoS Audit
	Inherent	Control	
Performance Measures Audit	4	3.8	Recommendations #17, #18, #26a
Objectives/Goals: Determine if the District is using performance measures to help identify students who are struggling or underperforming academically and providing assistance or additional support to increase students' achievement.			
Background Information: The SoS report stated that although PPS has seen substantial improvement in graduation rates, PPS is still behind most national comparison Districts. The SoS report emphasized the need to better monitoring and improving students' academic achievements and noted substantial achievement gaps based on race and economic status remain. In addition to the comments included in the SoS report, previous contracted audits have suggested a need for better tracking of student performance.			
Risks: Lack of or ineffective monitoring and evaluation of student performance could prevent the District from identifying student who are struggling or underperforming and providing assistance or additional support to increase students' achievement. Students graduating from PPS may not meet the District's Graduate Portrait.			
Estimated Hours: 600			
Assessment/Audit Scope, includes but not limited to:			
<ol style="list-style-type: none"> 1) Identify resources, tools, metrics, and measurements to track student performance. 2) Examine data that is captured. 3) Verify the frequency of data review. 4) Determine how the current measurements/ results are communicated. 5) Evaluate if students who are struggling academically are receiving additional support, particularly in low income schools, and how they are monitored to ensure there is a continuous progress. 6) Interview teachers to get their views on how students are progressing. 			
Answer the following questions:			
How are student performance measures identified, tracked, monitored, and used as a decision making input to support student achievement?			

Operational Areas / Programs	2016 Risk Assessment		SoS Audit
	Inherent	Control	
Measure 98 Audit	N/A	N/A	N/A
Objectives/Goals: Determine whether the District is compliant with the requirements of Measure 98.			
Background Information: Measure 98, formally called the Oregon State Funding for Dropout Prevention and college Readiness Initiative, would require the Legislature to appropriate at least \$800 per high school student, per school year, for the District to create or expand college-level education opportunities, career and technical education program and drop-out prevention strategies. The goal of Measure 98 is to improve Oregon's graduation rate and provide students with more opportunities for career readiness, and also to prevent students from dropping out and keep them on track to graduate in all Oregon high schools.			
Risks: The District may lack adequate internal controls to ensure compliance with Measure 98. The District may not have an adequate data management system that provides timely reports on students grades or progress.			
Estimated Hours: 500			
Assessment/Audit Scope, includes but not limited to:			
<ol style="list-style-type: none"> 1) Review of how Measure 98 funds are spent and monitored for the three programs. 2) Evaluate the implementation of activities to prevent or reduce chronic absenteeism, and increase graduation. 3) Evaluate the management systems that provides timely reports on students grades, achievements, and absences. 4) Evaluate the disciplinary actions by schools to address the absenteeism issue. 5) Determine if reasons for student absenteeism are recorded for trending purposes and also to help identify the appropriate resources to help students or families. 6) Review measurements that are used to determine and track students' progress, and identify measures used to assist students who struggle academically and/or continue to with absenteeism. 			

Operational Areas / Programs	2016 Risk Assessment		SoS Audit
	Inherent	Control	
School Audits	n/a	n/a	n/a
<p>Objectives/Goals: The primary focus of school audits will be on financial internal controls related to cash handling and receipting (including gate receipts and petty cash funds for applicable schools). In addition to cash handling and receipting, the school audits will also include procedures related to the following: field trips, support organization's fundraising efforts, ASB/SBF fundraising, approval of leave time for the school's staff, and nutrition standards.</p>			
<p>Background Information: Although the District does provide training related to financial internal controls however, the District does not provide a standard operating procedures.</p>			
<p>Risks: Without standard operating procedures, there is an increased risk that school do not have adequate financial internal controls that will ensure the safeguarding of District funds.</p>			
<p>Estimated Hours: 600</p>			
<p>Assessment/Audit Scope, includes but not limited to:</p> <ol style="list-style-type: none"> 1) Review cash handling and receipting training, policies, and procedures applicable to school buildings. 2) Review and test financial controls in place at the schools to determine whether controls are in place and operating as intended to ensure the safeguarding of District funds. 3) Field Trips - Are fund trips properly approved and supervised by an adequate number of qualified chaperones? 4) Support organization's fund raising efforts and/or ASB fundraising - Are fund properly categorized, are funds used for allowable purposes? 5) Crowdsourcing Fundraisers - Does the District have a policy that prohibits any District sponsored crowdsourcing fundraisers, such as GoFundMe, SnapRaise, and Kiskstarter? If yes, does the school prohibit such fundraisers? If no, are financial controls in place to ensure the safeguarding of these funds? 6) Leave Time approval - Does the school have adequate procedures in place to ensure the time and accurate recording of employee absences? 7) Nutrition Standards - Does the school have adequate controls in place to ensure that foods sold to students during the official school day meet the District's nutrition standards. This will focus on food and beverages sold outside the District's Nutrition Services Department. 			

Operational Areas / Programs	2016 Risk Assessment		SoS Audit
	Inherent	Control	
Facility Usage/Building Rentals	N/A	N/A	N/A
<p>Objectives/Goals: Determine whether internal controls are in place to ensure the proper categorization of either an official District event, or external organization events.</p>			
<p>Risks: There is a risk uses of school facilities events are not properly categorized as either official District events or external organization events. If external events are categorized as District events, there is a potential loss of rent revenue to the District. Even if the external events qualify to be rent free under District policy, there is still the risk of unnecessary costs to the District if the external organizations do not properly reimburse the District for items such as HVAC fees and custodial charges. In addition, external events not properly categorized as such, could subject the District to additional legal liability if accidents or injuries occur.</p>			
<p>Background Information:</p> <p>3.30.011-AD CUB Waiver states the following:</p> <p>During a PPS fiscal year (July to June), PPS Title 1 Schools, PPS Comprehensive Supports and Intervention (CSI) Schools, and PPS Targeted Supports and Interventions (TSI) Schools shall be provided one fee waiver for up to eight consecutive hours (six hours for one or more events on a single day plus an hour before and after the event(s) for custodial opening, preparation, cleaning, and closure procedures) of overtime custodial coverage for PTA/PTO/Booster Club (Sponsor) sponsored event/s. During the six hour event(s) period, total attendance may not exceed three hundred (300) at any point in time. The school must have Title I, CSI, or TSI status at the time of the event(s) for this fee waiver to apply. The request for a fee waiver shall be made by the Sponsor when submitting the CUB permit request and shall be subject to the availability of custodian staff and the approval of process as noted in Section VI below. Fee for custodial coverage for one-time events in excess of eight hours will be charged to the user.</p>			

Estimated Hours: 500

Assessment/Audit Scope, includes but not limited to:

- 1) Review of District policies and procedures related to facility usage/building rentals.
- 2) Testing facility usage/building rentals to determine if they are properly categorized as either an official District event or external organization events.
- 3) Determine if the District's policies and procedures related to facility usage/ building rentals are adequate to ensure that schools have the guidance necessary to properly account for their facility usage.
- 4) Determine whether schools that qualify for the CUB waiver are properly utilizing the waiver

Operational Areas / Programs

Career and Technical Education (CTE) Program Offerings

Objectives/Goals: To determine whether CTE program offerings are provided equitably throughout the District and whether access to CTE Program offerings are accessible to students throughout the District.

Background Information:

The PPS Board of Education has established the following Post-Secondary Readiness/Ready for College Career goal:

By the spring of 2022, Portland Public Schools graduates, who are underserved students of color, will move from 50.3% (current 2018-2019 baseline) to 56% successfully completing one or more of the post-secondary indicators.

One of the post-secondary indicators is: Successful completion of Career and Technology Pathway (2 or more courses in the same path).

Whether or not the District is providing equitable access to CTE program offerings throughout the District could impact the ability of the District to achieve the Board goal.

Estimated Hours: 600

New Audit Topic

Operational Areas / Programs

School Building Security

Objectives/Goals: To determine whether schools are in compliance with its building security plan.

Background Information:

Each school building has an individual building security that is reviewed and updated annually.

Assessment/Audit Scope, includes but not limited to:

- 1) Review of the school building's security plan.
- 2) Determination of whether the building is in compliance with the school building's security plan.

NOTE: The audit will not determine the adequacy of the building security plan, it will only determine compliance with the building security plan.

Estimated Hours: 600

OIPA 2022-23 Budget Request					
Object		2023-24 Budget Request	Notes related to 2022-23 Budget Request	Budget current year 2022-23	Actuals current year through 1/31/2023
511220 Non-Represented Staff					
521000 PERS					
521310 PERS UAL					
522000 Social Security - FICA					
523100 Workers' Compensation					
523200 Unemployment Compensation		358,590.58	Estimating salary and benefits at 2022-23 budget plus 6%	338,293.00	178,669.38
523300 Paid Family Medical Leave					
524100 Group Health Insurance					
524200 Other Employer Paid Benefits					
524300 Retiree Health Insurance					
524530 Early Retirement Benefits					
531800 Local Mtgs/Non-Instr Staff Dev		3,996.00	80 hours (40 per auditor) of professional development training is required by auditing standards	3,996.00	
531900 Other Instr Prof/Tech Svcs					
534200 Travel, Out of District		1,500.00	Estimated travel cost related to professional development training		
546000 Non-Consumable Supplies		500.00			
548000 Computer Equipment		2,500.00			
564000 Dues and Fees		500.00			208.33
		367,586.58		342,289.00	178,877.71
		10.73%	Estimate budget increase from 2021-22 budget - Not including translation services		
Translation Services		10,000.00	Estimated translation services costs		
		377,586.58			
		13.09%	Estimate budget increase from 2021-22 budget - Including translation services		



Audit Committee Meeting Date: March 2, 2023

Audit Status Update

Hardship Transfer Audit

- The audit report has been provided to the Enrollment and Transfer Center for a response to the recommendations. The report will be provided to the Audit Committee in the meeting on 4/6/2023.

Student Body Activity Funds Audit

- Current Audit - currently conducting field work
- The audit report should be ready to present to the Audit Committee in its June 29, 2023 meeting.

English Language Development

- Current Audit - early in the planning phase of the audit

Other OIPA Activity Update

OIPA Budget Request for the 2023-2024 school year

- Discussion in today's meeting

Audit Plan for the 2022-23 School Year

- Discussion in today's meeting