



## BOARD OF EDUCATION

### Portland Public Schools Audit Committee Meeting October 14, 2020

## VIRTUAL MEETING

*In light of current public health concerns related to COVID-19, this meeting will take place virtually.\**

Under the provision of ORS 192.670, the meeting will be streamed live:  
<https://www.youtube.com/user/ppscoms/live>

To request to sign-up for public comment please send an email with your first and last name, and topic to [PublicComment@pps.net](mailto:PublicComment@pps.net), or call Kara Bradshaw at 503-916-3906. Requests for Public Comment will be processed in the order that they are received, and should be received by 12:00 pm on the day of the meeting. Once your spot is confirmed, instructions for addressing the board will be sent to you via email.

Public comment related to an action item on the agenda will be heard immediately following staff presentation on that issue. Public comment on all other matters will be heard during the "Public Comment" time. This meeting may be taped and televised by the media.

### AGENDA

- I. Introduction
- II. Acknowledgment of previous meeting minutes
- III. Implementation of Contracts Audit recommendations - Implementation plan due from District Management 10/1/2020 (15 min presentation and 30 min for Q&A and discussion)
- IV. Review/discuss/approve draft 2020- 21 Audit plan proposal - OIPA to do a brief presentation (10 min - 30 minutes for discussion questions)-action item
- V. Update PPS Auditor goals (5 minutes)
- VI. Public Comment  
\*To sign-up to provide comment email [PublicComment@pps.net](mailto:PublicComment@pps.net) or call Kara Bradshaw at 503-916-3906
- VII. Other Business
- VIII. Adjourn

#### **Portland Public Schools Nondiscrimination Statement**

*Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. The District is committed to equal opportunity and nondiscrimination based on race; national or ethnic origin; color; sex; religion; age; sexual orientation; gender expression or identity; pregnancy; marital status; familial status; economic status or source of income; mental or physical disability or perceived disability; or military service.*



INFORMAL MINUTES

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*The purpose of this document is to provide an overview of the actions taken by the School Board and to provide an overview of discussions and reports given. Anyone interested in viewing the full meeting, please visit the School Board website at <https://www.pps.net/domain/219>.*

A meeting of the Board of Education's Audit Committee came to order at 5:00 pm at the call of Committee Chair Julia Brim-Edwards. This meeting was held virtually due to Covid-19 and streamed live at: <https://www.youtube.com/user/ppscomms/videos>

**There were present:**

Committee Members

Director Brim-Edwards

Director DePass

Staff and Other Attendees

Dr. Shawn Bird – Chief of Schools

Kara Bradshaw – Executive Assistant, Board of Education

Guadalupe Guerrero – Superintendent

Janise Hansen – Senior Internal Auditor

Claire Hertz – Deputy Superintendent of Business and Operations

Mary Catherine Moore – Internal Auditor

Parker Myrus – District Student Council Representative

Rosanne Powell – Senior Board Manager

Terry Proctor – Communications Manager, Multimedia

David Roy – Senior Director, Communications

Dr. Luis Valentino – Chief Academic Officer

Jackson Weinberg – District Student Council Representative

**Pre-meeting**

The virtual meeting opened for attendees to arrive at 4:45 pm. No deliberation or decisions were made prior to the start of the meeting.

**Secretary of State Audit Update – 5:02**

Director Brim-Edwards provided an overview of the Secretary of State audit. Dr. Bird provided an implementation update for recommendations number nineteen and twenty, noting that principals are receiving research based turn around training, and their school teams are receiving targeting professional development. He explained that they have been focused on hiring principals who have proven turn around records at Comprehensive Support and Improvement (CSI) schools. He shared that they have assigned one area senior director to support all CSI schools, who has a smaller case load than other senior directors, and who has taken the same training as the principals, in order to better support principals with hopes to improve the principal retention rate. Director Brim-Edwards asked if retention of principals of color is being tracked as well. Dr. Bird replied that is being tracked. He added that they are working to bring current teachers into administration, have hired more leaders of color, and trying to put supports into place to retrain the hired teachers. Director Brim-Edwards asked what the evidence is that they have followed through with the recommendations, not just actions taken. Dr. Bird shared that as the systems are put into place they will have more evidence. He explained that the idea is that once the systems are in place new administrators can come into a system and be successful because those systems are in place. Superintendent Guerrero shared that you can have a school going up even with change of leadership, when systems are in place, as well as each administrator bringing a skill set. There was discussion regarding what is being done to change the opinion of the district office. Dr. Bird offered

that open communication and opportunities to share opinions and provide feedback, and knowing that district leadership is there to talk to are all ways to improve relations.

Dr. Valentino shared that recommendation number sixteen is an item that continues to evolve, and provided an overview of implementations. He noted that the district has learned how outdated their curriculum was, and is taking action to align practice to current standards, and have provided professional development to implement curriculum across the district. He shared that with the pivot to online learning, they are working with publishers to make sure that the curriculum materials are flexible to in person and online learning, and are working to grow their digital toolkit.

The committee asked questions regarding the update. Parker Myrus asked which subjects were most challenging to teach virtually. Dr. Valentino shared that high school science, CTE classes and PE are the most challenging virtually. Director Brim-Edwards asked how scope and sequence is being tracked. Dr. Valentino replied that all of the core curriculum is in Atlas for teachers to access and formative assessments measure whether students are learning the information. Jackson Weinberg asked what is being done to increase visibility of the budget. Claire Hertz shared that it is being shared in a variety of ways. Jackson Weinberg asked why the response to the transportation recommendation was being delayed. Claire Hertz shared it is because the plan is to divide the transportation centers across the district and are asking for requests for proposals for each site. Jackson Weinberg asked when the response to the recommendations was anticipated to be complete. Ms. Hertz replied that the most of the recommendation responses will be continuous, such as development for teachers.

### **Office of Internal Performance Auditors (OIPA) Report – 5:58 pm**

Janise Hansen shared that the Audit committee website has been updated and that everything audit related can now be found via the board website. She shared that the ACH audit has been delayed due to some staff absences. She added that she met with the finance manager, where she found out that the district has not started the new ACH process for new vendors, but that it is anticipated to begin implementation soon. Director Brim-Edwards asked why the district hadn't added new vendors. Claire Hertz answered that all the people who have access to the financial system have to receive training, which was delayed by Covid-19, but that they anticipate people will begin to use the system in about one month, at which time the auditors could test controls.

Ms. Hansen shared that she compiled a set of performance measures for the Office of Performance Auditing. She noted that the set of measurements came from Generally Accepted Government Auditing Standards (GAGAS). She suggested that the committee look through the set of performance measures and provide feedback to inform the final tool.

### **Audit Committee Work Plan 2020-2021 6:15 pm**

Director Brim-Edwards provided an overview of the charge of the audit committee. She shared that the draft Audit Committee work plan includes proposed activities and a timeline. There was discussion regarding what could be added or improved upon in the draft proposal.

She noted that there needed to be consideration as to how and how often the committee reports to the full board. There was discussion regarding the cadence of the meetings, and the frequency of the meetings. There was discussion regarding the timeline of the reporting on the bond audit implementation.

### **Community member committee member opening 6:35 pm**

Director Brim-Edwards shared that there is an open spot on the committee because Kari Guy would no longer serve as a committee member, noting that Ms. Guy has agreed to consult as needed. There was discussion regarding looking for diverse candidates. Director DePass shared that she created a google sheet that asks a variety of questions, adding that opening the position to people who don't have auditing experience, but who might be able to research and ask good questions, would bring a diverse perspective. The committee decided to remove the language that specifies auditing experience and work to make the language for the position more interesting.

### **Adjourn**

September 16, 2020

Director Brim-Edwards adjourned the meeting at 6:43 pm.

The Audit Committee is scheduled to be held October 14, 2020.

Submitted by:

Kara Bradshaw

Kara Bradshaw, Executive Assistant  
PPS Board of Education



SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON  
Board of Education's joint Audit Committee and School Improvement Bond  
Committee Meeting  
August 31, 2020

**INFORMAL MINUTES**

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*The purpose of this document is to provide an overview of topics discussed. Anyone interested in viewing the full meeting, please visit the School Board website at <https://www.pps.net/domain/219>*

A Meeting of the Board of Education's joint Audit Committee and School Improvement Bond Committee came to order at 4:32 pm at the call of the Audit Committee Chair Brim-Edwards. This meeting was held virtually due to Covid-19 and streamed live at: <https://www.youtube.com/user/ppscomms/videos>

There were present:

**Committee Members**

Julia Brim-Edwards – Chair of Audit Committee  
Michelle DePass – Chair of School Improvement Bond Committee  
Andrew Scott  
Scott Bailey  
Amy Kohnstamm

**Staff and Other Attendees**

Kara Bradshaw - Executive Assistant, Board of Education  
Cathy Brady – Sjoberg Evashenk Consulting, Inc.  
Claire Hertz – Deputy Superintendent of Business and Operations  
Lien Luu – Sjoberg Evashenk Consulting, Inc.  
Janise Hansen – Senior Internal Performance Auditor  
Mary Catherine Moore – Internal Performance Auditor  
Marina Creswell – Senior Director, School Modernization  
Tae Thomas – District Student Council Representative  
Parker Myrus – District Student Council Representative  
Dan Jung - Chief Operation Officer  
Scott Perela – Program Manager  
Rosanne Powell - Senior Board Manager  
Terry Proctor – Director TV Services  
David Roy – Senior Director of Communications  
Stephanie Soden-Back - Chief of Staff  
Jackson Weinberg – District Student Council Representative

**Pre-meeting**

The virtual meeting opened for attendees to arrive at 4:15pm. No deliberation or decisions were made prior to the start of the meeting.

**Public Comment**

- None

**2017 School Improvement Bond Audit – Year 2 (4:40 pm)**

Cathy Brady provided an overview of the Audit Firms background and the audit standards that they follow. Lien Luu shared an overview of the audit results. She noted that they found Kellogg, Madison and Lincoln on track. She shared that the Benson High School project does not currently have the cash flow needed to complete the project. She added that the board did sign a resolution committing to a loan if the Bond did not pass, but that they found that the board needed more information on the impact of a loan to other projects prior to the commitment. There was board discussion regarding the information that was

provided to the Board of Directors prior to approving the resolution to committee to a loan if the Bond were to fail.

Ms. Luu shared that a lot of progress had been made in the category of Health and Safety, but that there was limited information on which sites have received which updates. She added that the district is in the process of creating an interactive map to show work completed, but that it had not been completed at the time of the audit. Ms. Luu noted that they found that internal tools and system reporting should be accessible to all I members and that contract change orders could use better review systems, but that the Office of School Modernization is in line with construction management standard practices. She added that Procurement and Contracting followed industry practices, however there were a few recommendations. She noted that the Contracts were generally comprehensive and aligned with best practices, however, there were a couple of cases where contracts could have been strengthened, and there was inconsistency regarding format and payments. She shared that Portland Public Schools has taken the performance audits and recommendations seriously, and they found that many recommendations that were completed or in progress.

### **Staff Response / Implementation Plan to 2017 School Improvement Bond Audit – Year 2 (4:58 pm)**

Marina Cresswell provided an overview of the district's response to the audit recommendations. She stated that they concur with recommendations 4, 5, 9, 10, and 11. She shared that there was one item that they did not concur with, which was recommendation 1, adding that an alternative funding plan overview was provide to the board when they passed the resolution for the Bond. Scott Perela shared an overview of the audit tracking process, and Ms. Cresswell added that they are continually improving the process.

### **Q & A / Discussion (5:12 pm)**

The Board Directors asked questions of staff and the auditors. There was discussion regarding the Bond alternative funding documentation provided to the Board. Director Brim-Edwards requested a copy of the documents be shared with the current board. Director Bailey asked the auditors if the conversation about alternative funding could wait until after the November ballot and Ms. Luu replied that the recommendation was referring to the documentation provided when the resolution was signed. Director Scott stated that he believed that the conversation could wait until November and if the Bond doesn't pass then they can look at the implementations of taking out a capital loan verses halting construction.

Director Brim-Edwards asked what the indicator was that the water improvement project was on track and Ms. Luu shared that all schools have been updated to be at the recommended 15 ppb or less and that new fixtures have been added and that filtration systems are being added. Jackson Winberg asked when it would be determined which contracting process was more beneficial, and if it would be done before making a decision regarding the next round of modernizations. Marina Cresswell shared that they have to wait until they complete the current modernization contracts complete a formal analysis, but that they continually look at what is working and what is needed for each project. Director Brim-Edwards asked if there was just one contract where work began before the contract was finalized and Ms. Luu confirmed that they only found one instance. Director Brim-Edwards asked for details regarding a second auditing firm being hired. Ms. Cresswell stated that they will be bringing on a construction auditor who will look in depth into each contract and make sure that the money that is being paid out is what needs to be paid, and that they will work with contractors from the beginning of the process to get compliance from the contractors.

### **Adjourned**

The meeting was adjourned at 5:56 pm.

Submitted by:

  
Kara Bradshaw, Executive Assistant  
PPS Board of Education

**Contracts Audit  
Implementation Plan**

**Due October 1, 2020**

Signature Approvals	Date Approved
Emily Courtnage, Director of Purchasing & Contracting	0
Tracy Pinder, Director of Financial Services	0
Legal - Mary Kane	0
Dani Ledezma, Senior Advisor, Racial Equity & Social Justice	0
Instructional Tab	0
Claire Hertz, Deputy Superintendent of Business and Operations	
Superintendent (or designee)	

2020 Contracts Audit Recommendations					Implementation Plan	
#	Abbreviated Recommendation	Response	Responsible Administrator / Manager	Comment	Implementation Plan (Specific steps to be implemented)	Anticipated date implementation will be complete (generally expected within 6 months)
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	We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	For the 2020-21 school year, we changed our practice as follows: We completed updating the 20-21 contracting course in June 2020 and published the new version in late June. We posted notice in Admin Connect on June 30 and July 7: "Effective July 1, 2020, the 2020-21 course must be completed before you submit a contract for the 2020-21 school year." Thus, the course requirement was effective immediately with no "grace period" as in prior years. We continue to check for course completion by contract manager and contact person with every contract that is submitted.	Completed as of July 1, 2020
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	We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	See response to Recommendation 1, above.	Completed as of July 1, 2020
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	We agree with the recommendation to change the course deadline and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, we do not agree that August 1st is a realistic course completion deadline, particularly for school staff and administrators. We will propose a new annual course update schedule and completion deadline designed to better address Recommendations 1 and 2.	See response to Recommendation 1, above.	Completed as of July 1, 2020

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	<p>Instructional Leadership agrees with the recommendation and will include action steps within our implementation plan presented to the Audit Committee within 60 days.</p> <p>As noted in the Audit, the personal services contracts that include RESJ Partnerships are currently part of a robust review and reimagining. All contracts are currently subject to a competitive process where proposers are asked to submit documentation of both proposed and prior contract performance to complete a scope of work. The request for proposals includes required narrative and a logic model that describes the contract outputs (service delivered) and intended student outcomes that will form the basis of the contract reporting and district evaluation for awarded proposers. This competitive process will provide the basis for contract awards for up to three years upon successful completion of required contract deliverables each school year. The basis for contract negotiation is outlined in both the PPS RESJ Partnerships Investment Strategy and the 2019-2700 RESJ Partnerships solicitation.</p>	<b>Instructional Leadership:</b> Instructional Leadership: Contract managers who manage significant instructional or student services contracts will provide a summary of performance metrics met or unmet and provide recommendations in regards to future contracting. This information will go to supervisors and be uploaded into Cobblestone contract management software.	<b>Instructional Leadership:</b> March, 2021
					<b>RESJ leadership:</b> 1. RFP process for RESJ Contracts occurred in summer 2020. 2. RESJ and SPP will develop an evaluation process for RESJ Contracts. SPP Staff assigned to conduct the evaluation. This will be an annual process.	<b>RESJ leadership:</b> 1. Complete 2. Evaluation and Monitoring processes are ongoing. SPP staff assignment is complete. Evaluation development is in process with expected completion by Deember 2020
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	We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	Our 2020-21 mandatory contracting training course includes additional guidance on contract review and evaluation, including evaluation of, and keeping a record of, performance and outcomes.	Completed as of July 1, 2020
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	Emily Courtnage, Director of Purchasing & Contracting	We agree with the recommendation as it applies to large instructional, family engagement, and student services contracts (for which the Board Cover Memo was designed) and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	The P&C department implemented new contract management software (Cobblestone) in the summer of 2020. Over the next several months, P&C will train contract managers on its use. One of the capabilities of the new software is the ability of P&C staff to trigger custom surveys (or evaluation questionnaires) to specific contract managers, with any responses automatically saved in the system. P&C staff can develop a specific survey for significant instructional, family engagement, and student services contracts originating out of Central Office and involving direct, ongoing, intensive instructional and support services to students and families. Surveys can be triggered at contract expiration to the contract managers of these specific contracts.	March 31, 2021

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	<b>RESJ Leadership &amp; Instructional Leadership &amp; Emily Courtnage, Director of Purchasing &amp; Contracting</b>	<p>Purchasing &amp; Contracting agrees with the recommendation that contract reviews and evaluations should be saved with other contract documents in a central and accessible location, and we will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, while P&amp;C can provide instruction to contract managers and a central and accessible repository for all contract related documents, P&amp;C does not have contracting staff capacity to manage the collection, submission, and supervisor approval of contract performance reviews for all instructional contracts nor the subject matter expertise to judge the content or accuracy of such reviews.</p> <p>Instructional Leadership agrees that there will be a review and evaluation of the contract by the contract manager and that they will inform their supervisor when they have completed that process and uploaded the information. We disagree that the supervisor of the contract manager will also review and evaluate the contract as this is redundant work and that the contract manager is capable of doing this.</p> <p>RESJ leadership agrees with the recommendation to document contract compliance activities, however given the capacity of the respective departments has reservations about creating processes to add another layer of compliance. We do however commit to continuing to work in collaboration across departments to ensure effective contracting.</p>	<b>RESJ Leadership:</b>	<b>RESJ Leadership:</b>	
					0 0	<b>Instructional Leadership:</b>	<b>Instructional Leadership:</b>
					Instructional Leadership: Contract Managers will upload review and evaluation documentation into Cobblestone contract managemetn software for record keeping once the processes are completed and they will inform the supervisor upon completion.	March 2021	
					<b>Emily Courtnage, Director of Purchasing &amp; Contracting:</b>	<b>Emily Courtnage, Director</b>	
					P&C: One of the advantages of the new Cobblestone contract management software (Cobblestone) is the ability of contract managers to save all contract-related documents, including work documents, email communications, and any contract deliverables and evaluations, in a centralized, easily accessible location. We will instruct contract managers that they should save such key contract documents, including any reviews and evaluations, in the contract record in Cobblestone.	March 31, 2021	
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	<b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	<p>We agree with the recommendation that contract documents, including any reviews and evaluations provided by contract managers, should be saved in a central location and readily accessible to District staff, and we will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, while P&amp;C can provide instruction to contract managers and a central and accessible repository to facilitate compliance with this recommendation, P&amp;C does not have contracting staff capacity to manage and ensure the collection and submission of contract performance reviews for all instructional contracts.</p>	See response to Recommendation 3(c) above.	March 31, 2021	

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	<b>Instructional Leadership &amp; Emily Courtnage, Director of Purchasing &amp; Contracting &amp; RESJ leadership</b>	<p>Purchasing &amp; Contracting agrees with the recommendation that our internal controls (including mandatory templates and training and the contract approval process) should help ensure that instructional, family engagement, and student services contracts include appropriate deliverables, performance measures, and expected outcomes, and we will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.</p> <p>Instructional Leadership agrees and will include implementation actions to 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.</p> <p>RESJ - Agree with the recommendation. The current competitive process scores and evaluates proposed scope of work and deliverables measured against a proposed logic model that describes expected outcomes and measures for which ongoing reporting will be required. Once selected, contractors will negotiate final terms and in partnership and RESJ will collaborate with the Office of School Performance to develop system measures to gauge the impact of all RESJ partners and strategies.</p>	<b>RESJ Leadership:</b> 1. RFP process for RESJ Contracts occurred in summer 2020. 2. Execute RESJ Partnership Contracts with appropriate deliverables, performance measures and outcomes.	<b>RESJ Leadership:</b> 1. Completed 2. 15 of 16 contracts executed and approved by board by October 6, 2020. Final contract to be executed by November 2020.
					<b>Instructional Leadership:</b> Instructional Leadership: All contracts will include specific deliverables, performance measures, and expected outcomes.	<b>Instructional Leadership:</b> March 2021
					<b>Emily Courtnage, Director of Purchasing &amp; Contracting:</b> P&C: See responses to Recommendations 3(a) through 3(d) above. Our 2020-21 mandatory contracting training course includes additional guidance on contract review and evaluation, including evaluation of, and keeping a record of, performance and outcomes. In addition, Cobblestone contract management software will provide a centralized and accessible location to save all contract documents.	<b>Emily Courtnage, Director</b> March 31, 2021
					Our 2020-21 contract training course includes new guidance stating that the specialized scope of work template is mandatory for contracts for student, instructional, or family engagement services originating out of Central Office and involving direct, ongoing, intensive instructional and support services to student and families. The P&C contract review team looks for this template in applicable contracts during the contract review and approval process.	Completed as of July 1, 2020
4 a)	Require the use of the Specialized SOW temp	Agree	<b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	Our 2020-21 contract training course includes new guidance stating that the specialized scope of work template is mandatory for contracts for student, instructional, or family engagement services originating out of Central Office and involving direct, ongoing, intensive instructional and support services to student and families. The P&C contract review team looks for this template in applicable contracts during the contract review and approval process.	Completed as of July 1, 2020
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	<b>Instructional Leadership</b>	Instructional Leadership partly agrees with this recommendation. Staff outside of the contract that are qualified educational specialists do not have time in their current workload to review and approve the specific deliverables, performance measures, expected outcomes, how the performance will be measure and reporting requirements. The Executive Instructional Leadership Team (EILT) made up of the Deputy Superintendent, Chief of Schools, Chief Academic Officer, and Chief of Student Support Services will review and approve these elements on contracts going to the Board for approval.	Instructional Leadership: Instructional Leadership meets twice weekly and reviews contracts before they go to the Board and checks contract managers to ensure they have specific deliverables, performance measures, expected outcomes, how the performance will be measured, and reporting requirements tailored to the particular contract.	March 2021

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	<b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	We agree with the recommendation that contract documents, including statements of work, should be more readily accessible to District staff and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	Over the next several months, P&C will train contract managers and administrative assistants on the use of the new Cobblestone contract management software. All contract documents, including Contract Approval Forms, contracts, scopes of work and other exhibits are now saved with the contract record in the system. Contract records can be searched and viewed by District staff.	March 31, 2021
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	<b>Legal - Mary Kane</b>	We agree with the recommendation to the extent it applies to those contractors that have direct and substantive interaction with students and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	General Counsel's office will prepare a memo outlining the plan.	October 20, 2020
6	Develop and implement internal controls to ensure all mandatory training courses are included in all contracts that require interactions with students.	Partly Agree	<b>Legal - Mary Kane and Emily Courtnage, Director of Purchasing &amp; Contracting</b>	We agree with the recommendation to the extent it applies to those contractors that have extensive and substantive interaction with students. We will continue to work with a group of leaders already convened from multiple departments to develop appropriate systems and guidance. We will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	<b>Legal - Mary Kane:</b>	<b>Legal - Mary Kane:</b>
					General Counsel's office has convened a group of leaders who are working on developing a mechanism for including training requirements in applicable personal services contracts. As soon as clear guidance is developed and incorporated in contracts, we will communicate the new expectations with contract managers.	July 1, 2021
					<b>Emily Courtnage, Director of Purchasing &amp; Contracting:</b>	<b>Emily Courtnage, Director</b>
	General Counsel's office has convened a group of leaders who are working on developing a mechanism for including training requirements in applicable personal services contracts. As soon as clear guidance is developed, we will incorporate the requirements in contract templates and communicate the new expectations to contract managers.	July 1, 2021				
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	<b>Legal - Mary Kane</b>	We agree with the recommendation to the extent it applies to those contractors that have extensive and substantive interactions with students; however, we will not be able to develop the guidance and expectations related to mandatory training within the next 60 days.	General Counsel's office has convened a group of leaders who are working on developing a mechanism for including training requirements in applicable personal services contracts. As soon as clear guidance is developed and incorporated in contracts, we will communicate the new expectations with contract managers.	July 1, 2021
6 b)	The P&C department communicate the detailed guidance and expectations to Contract Managers throughout the District	Agree	<b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	We agree with the recommendation and will consider including implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, P&C cannot implement this recommendation until the internal controls and detailed guidance and expectations referenced in Recommendation 6 and 6(a) are developed.	See response to Recommendation 6, above. In addition, any new guidance regarding contractor training requirements will be included in the 2021-22 update of the mandatory contracting training course.	July 1, 2021

6 c)	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	<b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	We agree with the recommendation and will consider including implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, P&C cannot implement this recommendation until the internal controls and detailed guidance and expectations referenced in Recommendation 6 and 6(a) are developed.	Any new guidance regarding contractor training requirements will be included in the 2021-22 update of the mandatory contracting training course.	July 1, 2021
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	<b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	We agree that it is important to have clear channels of communication between the P&C Department and contract managers. However, multiple channels of communication are already in place and regularly utilized: (1) The mandatory annual contracting training course; (2) The frequently updated P&C website with announcements, Quick Guides, and new contract templates and forms with instructions; (3) Admin Connect, where we post announcements related to the contract course and other new contracting guidance generally applicable to contract managers; (4) Emails sent via the Communications Department email lists to all BESC staff, all school administrators, and all principals' secretaries; (5) Back to School and Finance trainings for principals' secretaries and admin assistants and New Leaders trainings for new school administrators; and (6) Emails sent to specific contract managers when a new initiative or requirement (such as the Board Cover Memo) is applicable only to a few contract managers. We regularly utilize all of these channels and do not believe any additional communication channel is required.	No action needed.	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	<b>Legal - Mary Kane and Emily Courtnage, Director of Purchasing &amp; Contracting</b>	We agree that contract managers need clear guidance on when and how to ensure that contractors have completed any required training courses before beginning work. We will continue to work with a group of leaders already convened from multiple departments to develop appropriate systems and guidance. We will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	<p><b>Legal - Mary Kane:</b> General Counsel's office has convened a group of leaders who are working on developing a mechanism for including training requirements in applicable personal services contracts. This group is also exploring how best to ensure contractor compliance. As soon as clear guidance is developed and incorporated in contracts, we will communicate the new expectations with contract managers.</p> <p><b>Emily Courtnage, Director of Purchasing &amp; Contracting:</b> Any new guidance regarding contractor training requirements will be included in the 2021-22 update of the mandatory contracting training course. In addition, as soon as clear guidance is developed and incorporated in contract language, the P&amp;C department will notify contract managers.</p>	<p><b>Legal - Mary Kane:</b> July 1, 2021</p> <p><b>Emily Courtnage, Director</b> July 1, 2021</p>

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	We agree that contract managers need clear guidance on when and how to ensure that contractors have completed any required training courses before beginning work. We will continue to work with a group of leaders already convened from multiple departments to develop appropriate systems and guidance. We will will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	Legal - Mary Kane: The P&C department will include any new guidance regarding contractor training requirements in the 2021-22 update of the mandatory contracting training course. In addition, as soon as clear guidance is developed and incorporated in contract language, the P&C department will notify contract managers.	Legal - Mary Kane: July 1, 2021
					Emily Courtnage, Director of Purchasing & Contracting: Any new guidance regarding contractor training requirements will be included in the 2021-22 update of the mandatory contracting training course. In addition, as soon as clear guidance is developed and incorporated in contract language, the P&C department will notify contract managers.	Emily Courtnage, Director July 1, 2021
7 b)	Include the list of mandatory training courses in applicable RFPs (or ITB).	Agree	Emily Courtnage, Director of Purchasing & Contracting	We agree with the recommendation and will consider including implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, P&C cannot implement this recommendaton until the internal controls and detailed guidance and expectations referenced in Recommendation 6, 6(a), 7, and 7(a) are developed.	We will include the contractor training requirements in applicable RFPs or other formal solicitations as soon as guidance is finalized.	July 1, 2021
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	We agree with the recommendation and a process has already been implemented through the adoption of Rapid Identity, a new identity automated management system.	As noted, the District has adopted a new identity automated management system. The program will be fully implemented once the contractor training protocol is finalized.	July 1, 2021
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	We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	Instructional Leadership: Before a contract goes to the Board, supervisors are requiring contract managers to share the summary of the SOW.	March 2021

9	We also recommend the District management develop and implement internal controls that will ensure contract management responsibilities are being performed.	Agree	<b>Instructional Leadership</b>	We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	Instructional Leadership: Before a contract goes to the Board, supervisors are requiring contract managers to share the summary of the SOW.	March 2021
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	<b>Legal - Mary Kane</b> and potentially others	We believe the appropriate next action is that the Legal Department assess how and whether ROI forms need to be used in contracts and consult with appropriate departments on development of any necessary internal controls resulting from that assessment. See 11(a), below.	General Counsel's office has determined that Release of Information forms are not required because the contractors' responsibilities are covered as "school officials" for purposes of FERPA (Family Educational Rights and Privacy Act).	NA
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	<b>Legal - Mary Kane</b>	We agree and believe we can implement this into our implementation plan presented to the audit committee within 60 days.	General Counsel's office has determined that Release of Information forms are not required because the contractors' responsibilities are covered as "school officials" for purposes of FERPA (Family Educational Rights and Privacy Act).	NA
11 a)	We recommend the District consider specifically addressing each of the examples identified in the finding in its analysis.	Agree	<b>Legal - Mary Kane</b>	We agree and believe we can implement this into our implementation plan presented to the audit committee within 60 days.	General Counsel's office has determined that Release of Information forms are not required because the contractors' responsibilities are covered as "school officials" for purposes of FERPA (Family Educational Rights and Privacy Act).	NA
12	We recommend the District develop a clear criteria for determining when a signed ROI form is required.	Agree	<b>Legal - Mary Kane</b>	We agree and believe we can implement this into our implementation plan presented to the audit committee within 60 days. See 10, above.	General Counsel's office has determined that Release of Information forms are not required because the contractors' responsibilities are covered as "school officials" for purposes of FERPA (Family Educational Rights and Privacy Act).	NA
13	Develop and implement internal controls that will ensure the consistent application of a signed ROI form in applicable contracts.	Agree	<b>Legal - Mary Kane</b> and <b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	We agree that contract managers need clear guidance on when to include the requirement of signed ROIs in their contracts. We will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	<b>Legal - Mary Kane:</b>	<b>Legal - Mary Kane:</b>
					General Counsel's office has determined that Release of Information forms are not required because the contractors' responsibilities are covered as "school officials" for purposes of FERPA (Family Educational Rights and Privacy Act).	NA
					<b>Emily Courtnage, Director of Purchasing &amp; Contracting:</b>	<b>Emily Courtnage, Director</b>
					General Counsel's office has determined that Release of Information forms are not required because the contractors' responsibilities are covered as "school officials" for purposes of FERPA (Family Educational Rights and Privacy Act). No action by the P&C department is required.	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	<b>Legal - Mary Kane</b>	We agree subject to the conclusions reached in the analysis required in 10 and 11(a), above; however, training may not be implemented within 60 days.	General Counsel's office has determined that Release of Information forms are not required because the contractors' responsibilities are covered as "school officials" for purposes of FERPA (Family Educational Rights and Privacy Act).	NA
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	<b>Tracy Pinder, Director of Financial Services</b>	We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	The Accounts Payable (AP) Team consistently reviews business processes for improvements and efficiencies. Additionally, AP is working with our Financial Systems Team on areas within our ERP to streamline invoice entry, looking to decrease Accounts Payable turn time. The Request for Payment on a Contract (RFP) form has been updated to include an "Invoice Receipt Date" to better track the flow from invoice receipt to invoice payment. (The mandatory contracts training Due to the number of schools, programs and departments within the District, it is difficult to centralize receipt of invoices. Currently, the Finance Team relies on education for those who hold fiscal responsibility. This training is meant to ensure understanding of the contract management cycle, from contract inception to invoice payment. In addition to the contract training course in Pepper, the	0
15	We also recommend the District consider centralizing the receipt of contract invoices.	Partly Agree	<b>Tracy Pinder, Director of Financial Services</b>	We partly agree with the recommendation, as centralizing receipt of invoices is a suggested best practice. However, implementation would be a significant shift in current practice and would require additional central office FTE to manage all District invoices centrally.		0
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	<b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	We agree with the recommendation that P&C should build on, and provide more detailed guidance in, our training materials and templates related to contract management responsibilities, and we will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, while P&C can instruct contract managers on contract management responsibilities and best practices and provide tools to assist with contract management, it does not have capacity to supervise or oversee contract managers' management of their own contracts.	Our 2020-21 contract training course includes additional guidance on contract management responsibilities, how to draft a scope of work, use of the specialized scope of work template, contract deliverables, and contract review and evaluation.	Completed as of July 1, 2020

16 a)	<p>a) Identify personal services contracts for student services as complex contracts and increase requirements for those contracts to include:</p> <ul style="list-style-type: none"> <li>o Develop an additional contract management training course that Contract Managers of complex contracts are required to complete prior to initiating the contract.</li> <li>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&amp;C for recordkeeping.</li> </ul>	Partly Agree	<p><b>Emily Courtnage, Director of Purchasing &amp; Contracting</b></p>	<p>We partly agree with the recommendation and will consider including implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, we do not believe it will be effective to add to the already significant time burden of mandatory online trainings for staff. We will consider different methods of providing additional specialized instruction or advice to the relatively few contract managers who manage complex instructional contracts.</p>	<p>Our 2020-21 contract training course includes new guidance stating that the specialized scope of work template is mandatory for contracts for student, instructional, or family engagement services originating out of Central Office and involving direct, ongoing, intensive instructional and support services to student and families. P&amp;C Management also communicated the new requirement directly to relevant contract managers by email. We believe that the mandatory, detailed scope of work template, and the additional content in the training course, together are sufficient to address the added complexity of these specialized contracts.</p>	<p>Completed as of July 1, 2020</p>
17	<p>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.</p>	Partly Disagree	<p><b>Instructional Leadership &amp; RESJ leadership</b></p>	<p>In most cases, the responsibility of contract management is not specific to a job. For example, we may have an Academic Program Manager who has responsibility for a contract but the majority of individuals who are Academic Program Managers do not have this responsibility. We do not have the ability to track every single assigned duty in a job description.</p> <p>Instructional Leadership partly agrees with the recommendation to include contract management in performance evaluation. Depending on the contract manager and the situation, contract management will only be included in performance evaluation where appropriate.</p> <p>RESJ Leadership partly agrees that contract managers for RESJ partnerships will provide oversight and compliance duties related to the deliverables in each contract assigned. Overall efficacy and evaluation of the impact of the RESJ strategies will be done in collaboration with the Instructional Leadership, the Office of Systems Performance and district leadership.</p>	<p><b>Instructional Leadership:</b></p> <p>Instructional Leadership: On an as needed basis performance evaluation will include an employee contract management performance.</p> <p><b>RESJ leadership:</b></p> <p>1. Develop job description for RESJ partnerships programs manager, and RESJ Project Manager to include contract management and oversight responsibilities. 2. Hire staff. 3. RESJ and SPP will develop an evaluation process for RESJ Contracts. SPP Staff assigned to conduct the evaluation annually..</p>	<p><b>Instructional Leadership:</b></p> <p>March 2021</p> <p><b>RESJ leadership:</b></p> <p>1. Complete 2. Complete by December 2020 3. see above</p>
18	<p>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</p>	Partly Disagree	<p><b>Instructional Leadership &amp; RESJ leadership</b></p>	<p>Instructional Leadership partly agrees with this recommendation. Supervisors will review workload with managers in general, but it is incumbent upon the manager to ensure that they have completed all duties of contract management and to surface any challenges with their supervisor.</p>	<p><b>Instructional Leadership:</b></p> <p>Instructional Leadership: As needed Supervisors will ensure contract managers are able to fulfill their contract manager duties.</p> <p><b>RESJ leadership:</b></p> <p>1. Develop job description for RESJ partnerships programs manager, and RESJ Project Manager to include contract management and oversight responsibilities</p>	<p><b>Instructional Leadership:</b></p> <p>March 2021</p> <p><b>RESJ leadership:</b></p> <p>1. Complete</p>

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	<b>Instructional Leadership &amp; RESJ leadership</b>	Instructional Leadership and RESJ leadership agree to partner on the updated processes for personal service contracts. RESJ leadership has collaborated with Instructional Leadership in the development of the RESJ Partnerships Investment Strategy as well as the RFP process. Instructional Leadership staff and members participated in the RFP scoring process and has committed to working in collaboration with RESJ to support ongoing relationship development with contractors at school sites. This includes participation in quarterly data review meetings and convenings aimed at increasing collective impact. We will have an implementation plan within 60 days.	<b>Instructional Leadership:</b> Instructional Leadership: We will continue to partner with RESJ leadership in the development of the RESJ Partnerships and Investment Strategy as well as the RFP process  <b>RESJ leadership:</b> 1. RFP process occurred in Summer 2020. 2. All contractors will meet with OSP, OSS and principals to start the contract year and review contract deliverables. 3. Quarterly meetings to be scheduled.	<b>Instructional Leadership:</b> March 2021  <b>RESJ leadership:</b> 1. Complete. 2. In process, fully completed by November 2020. 3. Completed by November 2020.
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	<b>Emily Courtnage, Director of Purchasing &amp; Contracting</b>	We agree with the recommendation as it applies to large instructional, family engagement, and student services contracts and, after consultation with the Board Office, will consider including implementation actions in our implementation plan presented to the Audit Committee within 60 days.	In conjunction with the Board Office and the Deputy Superintendent of Business and Operations, we have developed a plan to publicly post, with each contracts agenda, the specialized scope of work for each student, instructional, or family engagement services contract on that agenda. In addition, because most of the Board Cover Memo content repeats the same content in the specialized scope of work document, we will no longer require completion of the Board Cover Memo for these contracts. These changes will better meet the goals of public transparency and providing the Board the information they need while reducing duplicative paperwork and burden on contract managers.	Completed as of October 1, 2020

## Summary OIPA Proposal in order of priority:

1. ACH Audit (roll-over audit)
2. PCard Audit (roll-over audit)
3. ASB/SBF Funds Audit
4. Facilities Usage/Building Rentals
5. Health and Safety Checks Audit\*\*

\*\*The Health and Safety Checks Audit will only be done if students begin to attend in person classes during the 2020-21 school year. If that happens, Health and Safety Checks Audit will take priority over the other audits that are underway.

### Proposed November 2020 -June 2021 Audit Plan

Operational Areas / Programs	2016 Risk Assessment		SoS Audit
	Inherent	Control	
<b>1. PCard Audit</b>	n/a	n/a	Recommendation #6
<p><b>Objectives/Goals:</b> To allow government employees to easily make purchases without having to request preapproval, which has reduced administrative burden, and also take advantage of a 1.7% rebate on standard card purchases.</p> <p><b>Summary:</b> The Secretary of State (SoS) reported that their review of card transactions from July 2016 through March 2018 found the controls fall short of controls used by the State of Oregon and some other school Districts. With 385 cardholders, the District has more cards in circulation and more spending than other large Districts in Oregon.</p> <p><b>Risks:</b> Fraud, waste, and abuse can occur when there is no thorough review of card purchases; documents are not verified to support purchases; verification for the business purpose of expense is not validated; insufficient category is not defined for tracking expenditures; or PCard is used inappropriately.</p> <p><b>Planning:</b> This area was selected to ensure the new guidelines, review process, and department audit of PCard purchases that took effect in April 2019 were implemented and that the operations controls are working effectively and efficiently.</p> <p><b>Timing:</b> This is a roll-over audit from the 2019-20 Audit Plan. This audit is currently underway.</p> <p><b>Estimated Hours:</b> 400</p> <p><b>Assessment/Audit Scope, includes but not limited to:</b>                      The items listed below were the steps taken by the department after the Secretary of State audit. The review will be to validate the new processes were implemented and:</p> <ol style="list-style-type: none"> <li>1) Management developed monthly report for reporting all infractions.</li> <li>2) Infraction audit team began monthly meetings to review prior month's infractions.</li> <li>3) Restrictions were implemented for certain purchases.</li> <li>4) New PCard Manual incorporating new infraction table, new MCC code restrictions, updated list of prohibited and permitted purchases, and new guidance around certain purchases was created.</li> <li>5) Management developed new set of template emails to notify cardholder, supervisors, and HR (as applicable) of infractions and disciplinary action.</li> <li>6) Training materials for implementation of supervisor approval process in Bank of America Works was developed.</li> <li>7) Auditor will randomly select reports reviewed by managers and validate reviews performed by the department were in accordance to the department policy and procedure.</li> </ol>			

Operational Areas / Programs	2016 Risk Assessment		SoS Audit
	Inherent	Control	
<b>2. ACH Audit</b>	N/A	N/A	N/A
<b>Objectives/Goals:</b> To determine if the internal controls implemented by management in response to the fraudulent ACH transaction are in place and operating as intended to safeguard District funds.			
<b>Summary:</b> In August of 2019, there was a fraudulent ACH transaction. The District was able to recover all funds. In response, District management has taken actions to strengthen internal controls around the processing of ACH transactions. The audit will determine if the internal controls are in place and operating as intended to safeguard District funds.			
<b>Risks:</b> Internal controls intended to strengthen the District's ability to protect District ACH transactions from fraudulent activities may not be in place or operating as intended leaving the District vulnerable to future fraudulent ACH transaction activities.			
<b>Planning:</b> In an Audit Committee meeting on October 9, 2019, Claire Hertz, Deputy Superintendent of Business & Operations, requested an audit of the internal controls implemented by management in response to the fraudulent ACH transaction.			
<b>Timing:</b> This is a roll-over audit from the 2019-20 Audit Plan. This audit is currently underway.			
<b>Estimated Hours:</b> 300			
<b>Assessment/Audit Scope, includes but not limited to:</b>			
<ol style="list-style-type: none"> <li>1) To determine if there is appropriate segregation of duties related to ACH transactions.</li> <li>2) To determine if appropriate access to the District's financial software is appropriate based on the staff's roles and responsibilities.</li> <li>3) To determine if Finance Department staff have completed the required Fraud Awareness training (required annually).</li> <li>5) To determine if internal controls related to ACH transactions agree to best practices.</li> <li>6) To determine if internal control related to ACH transactions are in place and operating as intended to safeguard District funds.</li> </ol>			

Operational Areas / Programs	2016 Risk Assessment		SoS Audit
	Inherent	Control	
<b>7. ASB/SBF Funds Audit (Associated Student Body/ Student Body Funds)</b>	N/A	N/A	N/A
<b>Objectives/Goals:</b> To determine whether the District has adequate internal controls to ensure the complete and accurate accounting, tracking, and safeguarding of student body funds.			
<b>Background Information:</b> School principals provide oversight and are responsible for ensuring that student body funds are spent for the general welfare of the student body. While each school principal has the ultimate responsibility for all activities at the school site, many responsibilities for student body funds management function may be delegated to the office manager or other staff members.			
<b>Risks:</b> There is high risk/opportunity for fraud in this area with lack of competent accounting skills and lack of effective controls in the schools.			
<b>Planning:</b> The Student Body Funds was an item that was on the 2016 Risk Assessment and was rated as being a high risk area. The policies and procedures (P&Ps) that are in the PPS' Policies website have not been updated since 2002. The Deputy Superintendent also reported that there has not been an audit performed in this area. The engagement will be to evaluate the current processes and ensure that operations are working effectively and efficiently. This audit will be performed during school year to observe how funds are handled, recorded, tracked, and reported by staff, volunteers, and students.			
<b>Estimated Hours:</b> 600			
<b>Assessment/Audit Scope, includes but not limited to:</b>			
<ol style="list-style-type: none"> <li>1) Review policy and procedure for handling student body funds.</li> <li>2) Determine adequacy of training provided for cash handling.</li> <li>3) Evaluate how funds are collected/recorded / reconciled at each fund raising event.</li> <li>4) Obtain cash receipts or lists of students who were required to pay fees to the amounts collected.</li> <li>5) Inquire how school principals are evaluating complete and accuracy of accounting of funds.</li> <li>6) Determine if there is an effective oversight of all funds collected from fees/fund raising for all schools.</li> <li>7) Evaluate recording of funds collected from fees and fund raisings, and expensed by students.</li> <li>8) Determine if there is consistency in handling student body funds amongst all PPS.</li> <li>9) Examine how PPS is receiving donations and how they are recorded.</li> <li>10) Evaluate the processes in closing the books at the end of each school year.</li> </ol>			

Operational Areas / Programs	2016 Risk Assessment		SoS Audit
	Inherent	Control	
<b>11. Facility Usage/Building Rentals</b>	N/A	N/A	N/A
<b>Objectives/Goals:</b> Determine whether internal controls are in place to ensure the proper categorization of either an official District event, or external organization events.			
<b>Risks:</b> 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.			
<b>Background Information:</b> 3.30.011-AD CUB Waiver states the following: 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.			
<b>Estimated Hours:</b> 500			
<b>Assessment/Audit Scope, includes but not limited to:</b> 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	2016 Risk Assessment		SoS Audit
	Inherent	Control	
<b>9. Health and Safety Checks Audit</b>	n/a	n/a	n/a
<b>Objectives/Goals:</b> To determine whether building (where students are attending) are in compliance with the building safety plan.			
<b>Background Information:</b> As the District begins to have students attending in person classes and/or activities compliance with the each buildings safety plan will be crucial to safeguarding the health and safety of District students and staff.			
<b>Risks:</b> There is a risk that building will not comply with the buildings safety plan which should lead to an increased risk of contracting the coronavirus.			
<b>Estimated Hours:</b> 200			
<b>Assessment/Audit Scope, includes but not limited to:</b> 1) Review of the buildings safety plan. 2) Determination of whether the building is in compliance with the building safety plan.			
NOTE: The audit will not determine the adequacy of the building safety plan, it will only determine compliance with the building safety plan. Results of each building's compliance will provided to District administration within two days of the site visit to ensure timely feedback.			

## **We're looking for a community member to serve on the Portland Public Schools Audit Committee**

Portland Public Schools is looking to fill our Portland Public Schools Audit Committee with a community member.

The Audit Committee was established to protect the independence of the district's audit program, and consults with and advises staff and the PPS internal auditors to:

- provide oversight and support for the Office of Internal Performance Auditors (OIPA);
- recommend the OIPA's annual Internal Performance Audit Plan ("Audit Plan") to the Board and provides ongoing oversight of the Audit Plan and individual audits; and
- Recommends external auditors to the Board and provides ongoing oversight of audits performed by external auditors.

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 two to six hours a month. Currently, one community member position is vacant. Audit, financial, systems management, and operational experience as well as a commitment to public education is desirable, although not required.

If you are interested and would like to apply, please submit a letter of interest and resume to [msalvador@pps.net](mailto:msalvador@pps.net). Applications are due November 6, 2020.

More information on PPS performance audits is available [here](#).