

SAB Adopted Audit Policy	OPSC's Status
Scope and Type of Audits	
Define scope of the audit as a compliance audit. Local Educational agencies (LEA's) are audited to ensure they are in compliance with laws and regulations of the SFP program. Audit guide to be revised and updated annually.	In-progress. A draft of the SFP Review Requirements document is complete and ready for review.
Audits should be performed in accordance with Governmental Auditing Standards (GAS). Audits should commence within established timeframes.	Completed. OPSC agrees audits should be performed in accordance with GAS. However, OPSC are not performing audits but are conducting desk reviews. Review timelines are being adhered to. Process is in place to track timelines.
Audits should be conducted by an independent entity outside of OPSC.	Pending. The OPSC is unable to transfer the external audit function to SCO due to budgetary constraints. The OPSC has stopped conducting external audits; however the OPSC continues to perform compliance and expenditure desk reviews.
LEA's should be audited subject to the Audit Guide and regulations effective at the time the application is deemed completed and accepted by the OPSC.	Completed.
A complete application checklist will be included in the SFP Handbook.	In-progress. Matrices in the SFP Review Requirements document contain a listing of minimum and additional documents (if applicable) needed for a review.
A notification will be given to the LEA's upon acceptance of their application detailing which regulations and Audit Guide the project will be subject to at the time of Audit.	Completed. Notification is being given upon acceptance of application and when desk reviews are being performed.
OPSC shall post electronic archive of all previous and current regulations and Audit Guides for district and public access.	Completed.
Interim process needed to clarify applicable laws, regs, and Audit Guides until a formal process is developed.	Pending. No action taken to establish Audit Standing Committee.
SFP Handbook and Audit Guide should complement each other and incorporate the compliance requirements in the handbook that LEA's will be audited on and allow in conformance with Audit Guide requirements.	Pending. Currently working on incorporating changes to the SFP Handbook once the SFP Review Requirements document has been approved.
Audits should not be reopened. Additional audits may be conducted with evidence of fraud, misappropriation of funds or other illegal acts.	Completed. Policy is being enforced. Policy is included in the SFP Review Requirements document.
Procedures on the Publishing and Findings of the Audits	
Audits should only be published after the audit report is final and the LEA has provided a written report. Draft review of audit should be given to the LEA 30 days prior to publishing and the LEA should have 30 days to respond. Responses should be published in their entirety. Audit findings that are on appeal should also be noted with any published audit information.	OPSC believes publishing audit "reports" applies to external audits. For Desk Reviews, districts are provided a letter and worksheets advising them of changes made to their grant. In addition, they are provided 30 days to respond to preliminary findings.

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Process for Yearly Update and Communication to Districts regarding changes with Audit Process	
Create a standing audit committee that will do an annual review of the Audit Guide and create a process to address needed changes. The Audit Sub-Committee should be comprised of CDE, State Controller's Office, facility and fiscal LEA staff, independent auditor, OPSC staff or other appropriate staff.	Pending. No action taken to establish Audit Standing Committee.
Streamlining actions with Audit Process	
Draft an incremental program compliance verification and separate audit process. OPSC program staff will verify program compliance within 1 year at 2 distinct phases: at the time of SAB action on an Application for Funding and from the Date of Fund Release. The verifications made by OPSC Program staff will be limited to a number of items per project and should be selected based on a program-wide random sample. After the verification has been performed by OPSC Program staff or the one year expires, the project at both phases is deemed in compliance with the applicable certifications and those phases are no longer auditable. The review of the expenditure audits should remain a function of the project audit.	In-progress. OPSC is working on identifying interim checks that can be incorporated into Substantial Progress checks. Regs will need to be developed to hold OPSC and LEAs accountable to review timelines and document submittals, respectively.
Provide training to OPSC staff on (District) internal controls, cash management, and multi-fund accounting. This training is not to prepare OPSC to take an advisory role but to allow for a better working knowledge of administering the program.	Pending. Training will be dependent on training dollars available in budget.
OPSC staff to coordinate with CDE staff that maintains the CSAM (California School Account Manual) to assure that financial documentation for audits is an integrated part of the CSAM and doesn't impose additional accounting burdens on LEAs	Pending. OPSC will schedule meetings with CDE to initiate this process.
The Audit Guide and the School Facility Program Handbook should both be coordinated and re-organized to provide clear guidelines to all LEA's. The Audit Guide should be updated annually. The coordination of the Audit Guide and the School Facility Program Handbook should be vetted through the SAB Implementation Committee.	Pending. Awaiting the formulation of the Audit Standing Committee.