

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

**SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE**

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**Chris Hannan, Vice-Chair**

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**Margaret Fuentes, Secretary**

LAUSD Student Parent

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Early Education Coalition

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31<sup>st</sup> District PTSA

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LAUSD Student Parent

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CA Charter School Association

**Jeffrey Fischbach**

CA Tax Reform Assn.

**Greg Good**

L.A. City Mayor's Office

**D. Michael Hamner**

American Institute of Architects

**Hyepin Im**

L.A. City Controller's Office

**Susan Linschoten**

L.A. Co. Auditor-Controller's Office

**Dolores Sobalvarro**

AARP

**Roger Uy**

Assoc. General Contractors of CA

**Celia Ayala (Alternate)**

Early Education Coalition

**Dr. Clarence Monteclaro (Alternate)**

Tenth District PTSA

**Samantha Rowles (Alternate)**

LAUSD Student Parent

**Connie Yee (Alternate)**

L.A. Co. Auditor-Controller's Office

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Bond Oversight Administrator

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Bond Oversight Coordinator

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**RESOLUTION 2021-22**

**APPOINTMENT OF A BOC AD HOC SUBCOMMITTEE (TASK FORCE) REGARDING  
BOND PROGRAM PERFORMANCE AND FINANCIAL AUDITS AND DISTRICT  
AUDIT PROCESS**

WHEREAS, the California Constitution, Article XIII A, section 1(b)(3) provides:

(A) A requirement that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3), and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

(B) A list of the specific school facilities projects to be funded and certification that the school district board, community college board, or county office of education has evaluated safety, class size reduction, and information technology needs in developing that list.

(C) A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.

(D) A requirement that the school district board, community college board, or county office of education conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects;

WHEREAS, the Strict Accountability in Local School Construction Bonds Act of 2000 (Education Codes 15264 - 15288) provides:

In addition to the ballot requirements of Section 15122 and the ballot provisions of this code applicable to governing board member elections, for bond measures pursuant to this chapter,

**Bond Oversight Committee**

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the ballot shall also be printed with a statement that the board will appoint a citizens' oversight committee and conduct annual independent audits to assure that funds are spent only on school and classroom improvements and for no other purposes.

and

In furtherance of its purpose, the citizens' oversight committee may engage in any of the following activities:

(1) Receiving and reviewing copies of the annual, independent performance audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) Receiving and reviewing copies of the annual, independent financial audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

and

The governing board of the district shall provide the citizens' oversight committee with responses to any and all findings, recommendations, and concerns addressed in the annual, independent financial and performance audits required by subparagraphs (C) and (D) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution within three months of receiving the audits.

and

Consistent with the provisions contained in subparagraphs (C) and (D) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, the required annual, independent financial and performance audits for the preceding fiscal year shall be submitted to the citizens' oversight committee established pursuant to Section 15278 at the same time they are submitted to the school district or community college district, no later than March 31 of each year. These audits shall be conducted in accordance with the Government Auditing Standards issued by the Comptroller General of the United States for financial and performance audits;

WHEREAS, Sections 7 and 8 of the District's Memorandum of Understanding with the BOC include (respectively):

The Committee shall review annual, independent performance and financial audits of the bond fund expenditures and report to the public no less than once each year in which bond funds are being spent regarding the use of the funds. Furthermore, per Education Code §15280(a)(2), the Board shall provide the Committee with responses to any and all findings, recommendations, and concerns addressed in the audits within three months of receiving the audits. The Committee shall serve as the single statutory Oversight Committee for Proposition BB and Measures K, R, Y, Q, and any future bond measures which require an oversight committee.

A rational and timely audit system including annual financial and performance audits (as required by law), audits of bond-funded projects, programs, and activities (as outlined in the Inspector General's approved work plan), process audits and other audits as mutually agreed upon by the District and the Committee. To the extent such audits may not, in the

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opinion of District bond counsel, be funded by bond proceeds, the District commits to making District funds available for such audits.

WHEREAS, the District presented the performance and financial audits for the year ended June 30, 2020 to the BOC at its August 12, 2021 meeting, more than four months after the statutory deadline, and prior to that was scheduled to present at the BOC's May 27 meeting but requested a postponement on May 25 due to additional auditor inquiries;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The School Construction Bond Citizens' Oversight Committee hereby establishes an Ad Hoc Subcommittee pursuant to BOC Bylaws Art. V, Sec. 3, denominated the "2021 Task Force Regarding Bond Program Performance and Financial Audits" (the "Task Force"), to be composed of not more than seven active BOC members (inclusive of the BOC Chair as an ex-officio member).
2. The BOC Chair shall appoint a Task Force Chair from one of its members.
3. The Task Force will work collaboratively with BOC staff, District staff and District external audit staff to review:
  - the District's FY 20 bond program Performance and Financial Audits, and
  - the audit process for the District's FY 20 bond program Performance and Financial Audits, and
  - Requisites and objectives for bond program performance and financial audits, including the requirements of the BOC-District MOU, District policy, State law, and auditing standards, and
  - the District's practices with respect to bond program performance and financial audits,

and report to the Bond Oversight Committee:

- a summary of the research and analysis, and
  - any recommendations regarding the District's FY 20 bond program Performance and Financial Audits, and
  - any recommendations regarding process and procedures for bond program performance and financial audits.
4. The Task Force will be asked to provide an initial report to the full Committee at its October 28, 2021 regular meeting.
  5. The Task Force's work shall be completed, and its authority shall sunset, not later than June 30, 2022, unless extended by further action of the Committee.

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6. This resolution shall be transmitted to the Los Angeles Unified School District Board of Education and posted on the Oversight Committee's website.

ADOPTED on September 2, 2021 by the following vote:

AYES: 12

ABSTENTIONS: 0

NAYS: 0

ABSENCES: 3

*/Rachel Greene/*

Rachel Greene  
Chair

*/Margaret Fuentes/*

Margaret Fuentes  
Secretary