



DATE: October 16, 2015

TO: Board of Trustees

FROM: Frances M. Martinez, Internal Auditor

RE: Friday Update: Scope and Objectives of Bond Performance Audit

The scope/objectives of the performance audit include verification of SUHSD compliance with Proposition 39, which required that Bond proceeds only be used for school facilities projects that were listed with the Bond. The Construction Bond Performance audit is performed in accordance with GAGAS (Generally Accepted Government Auditing Standards). Specific areas to be included are:

1. Post-Financing Review
2. Composite Measures Final Report
3. Compliance with Ballot Language
4. Compliance with State Law and Regulations
5. Compliance with District Policies and Regulations
6. District and Professional Services Staffing Plan for the Bond Program
7. Program Management Effectiveness
8. Design and Construction Cash Flow Analysis
9. Design and Construction Costs and Budgets
10. Bidding and Procurement Procedures
11. Change Order Procedures
12. Claim Avoidance Procedures
13. Expenditure and Payment Procedures
14. Best Practices in Procurement
15. Delivered Quality Analysis
16. Monitoring Local Participation Requirements and other Related Board Policies
17. Effectiveness of Bond Communication Program

18. Review of Bond Oversight Committee

19. Citizens Bond Oversight Committee Compliance

20. Special Focused Analyses:

- A post audit review of the prior year audit
- A review of the effectiveness of cost benefit analysis on projects and value engineering used during the project design and construction processes.
- A review of project expenditures (14/15) and voter approved ballot language.
- An evaluation of the District's process and procedures for maintenance of District assets funded with Proposition O including compliance with warranty conditions (last 5 years).