

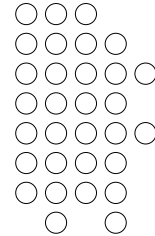
# School Facility Program Audit Process and What Districts Can Expect

Office of Public School Construction

Lien Hoang, Audit Supervisor

Noé Valadez, Audit Supervisor

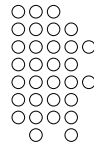
May 2004



## Fund Release Requirements

- Form SAB 50-05
  - 18 months from date the Board apportioned funds
  - 50% Work in Plans Under Contract

Refer to Section 1859.90

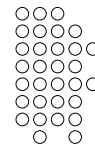


## **Progress Reporting Requirements - Separate Design**



- 18 months from Fund Release
  - Adjusted Grant Application Package, or
  - Certification RE: DSA Approval, or
  - Separate Site Application, or
  - Narrative

## **Progress Reporting Requirements - Separate Site**



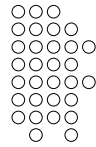
- 18 months from Fund Release
  - Final Site Appraisal, and
  - CEQA, and
  - CDE Site Approval, and
  - Final Escrow Or Condemnation Proceedings
- Narrative

## **Progress Reporting Requirements- Separate Site Environmental Hardship**



- Environmental Hardship - 12 months from Approval
  - Progress Checklist, or
  - Request For Extension, or
  - Other Reasonable Evidence

## **Progress Reporting Requirements - Adjusted Grant**



- 18 months from Fund Release
  - 75% Site Development work complete, or
  - 90% Work Under Contract, or
  - 50% Work Complete, or
  - Narrative

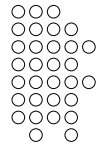
## **Expenditure Audit Reporting Requirements**



Form SAB 50-06

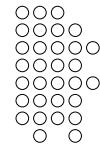
- One Per Project
- Only Project Costs Required
- Submitted Annually After First Fund Release
- 3 or 4 Years

## **Expenditure Audit Reporting Requirements**



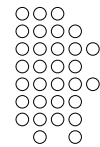
- Detailed Listing Of Project Expenditures
  - Supports The Form SAB 50-06
  - Classifies Expenditures
  - Savings Usage Tracked

## **OPSC Auditor Requirements**



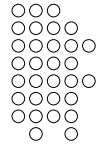
- Audit Started Within 2 Years
- Audit Completed Within 6 Months

## **Expenditure Audit Process**



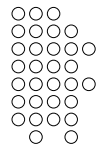
- Backup Documentation Requested
  - Warrants
  - Architect Agreements
  - Construction Contracts
  - Change Orders
  - Contractor Final Billing

## **Expenditure Audit Process**



- Project Certifications (50-04; 50-05)
  - Restricted Maintenance Deposit
  - Force Account Labor
  - DVBE Requirement
  - District's Share Spent or Deposited

## **Expenditure Audit Process**



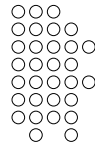
- Project Certifications
  - 60% Commensurate
  - Competitive Bidding
  - Qualification Appraisals
  - Labor Compliance Program

## **School Facility Program Audit Exceptions**



- Financial Hardship – Savings/Overspent
- 60% Commensurate Requirement not met
- Construction Contracts vs. Reported Expenditures

## **School Facility Program Audit Exceptions**



- Change orders not DSA approved
- DVBE requirement
- Qualification Appraisal

## **School Facility Program Audit Exceptions**



- **Expenditure Report (SAB 50-06) & Detailed Listing of Project Expenditures**
  - Detailed Listing incomplete/inaccurate
  - SAB 50-06 Total amount disagrees with Detailed Listing
  - Expenditures belong to other projects
  - Applicable LPP \$ excluded

## **School Facility Program Audit Exceptions**



- Proof of Savings/District matching share deposit
- Force Account Labor
- Fund Release (SAB 50-05) – Premature Submittal
- 18-month Substantial Progress Requirement

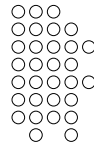
## **School Facility Program Material Inaccuracies**



- SB 2066
- OPSC Responsibilities

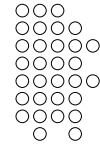
Refer to Section 1859.104.1 – 1859.104.3

## **What's New**



- Restricted Maintenance Deposit
  - 3 Percent Beginning July 1, 2004
- Deferred Maintenance
  - Clean Bathroom Requirement

**School Facility Program  
Audit Supervisors  
Contact Information**



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