

OFFICE OF PUBLIC SCHOOL CONSTRUCTION

School Facility Program
Close Out Audits

by

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Topics of Discussion

- Mission
- District Outreach
- Successful SFP Audit Planning
- Reporting Requirements
- Final Expenditure Audit
- Savings Usage
- Questions

School Facility Program Audits

Mission

To verify that School Facility Program funds have been expended in compliance with all applicable laws, regulations and policies and to help Districts achieve a successful audit.

Successful Audit Planning

District Outreach

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Successful Audit Planning

District Accounting

- Track and report each SFP project separately for expenditures, interest and savings.
- Set up a subsidiary fund for each project
 - School Facility Fund (Fund 35)
 - Other Capital Facility Fund(s)

Successful Audit Planning

Two concurrent processes:

1. Substantial Progress Checklist
2. Expenditure Close Out Audit

Reporting Requirements

Expenditures

- Track and report each project separately
- Annual report required
- Report all project expenditures on *Expenditure Report (Form SAB 50-06)* and cumulative *Detailed Listing of Project Expenditures Worksheets*
- District's expenditure window

Reporting Requirements

Interest

- Track and report each project separately
- Annual report required
- Report interest earned in the School Facility Fund (Fund 35) on *Expenditure Report (Form SAB 50-06)*

Reporting Requirements

Savings

- Track and report each project separately
- Savings = State Grant + District Match + Interest *less* Eligible Project Expenditures
- Annual report required
- Report State and District share on *Expenditure Report (Form SAB 50-06)*

Final Expenditure Audit

Close Out Audit Trigger

- District indicates 100% complete, or
- District's 3/4 year expenditure deadline expires

OPSC Timelines

- Audit started within 2 years
- Audit completed within 6 months

Final Expenditure Audit

Required Documents:

- ✓ Bid announcement and summary
- ✓ Disabled Veteran Business Enterprises
- ✓ Qualifications Appraisal and Agreement
 - Architect, Construction Manager, Engineer
- ✓ Labor Compliance Program verification
 - Department of Industrial Relations Approval(s)
 - If applicable, Third Party Contract

Final Expenditure Audit

Required Documents (continued):

- ✓ Main Construction Contracts
- ✓ Main Construction Contracts Final Billing
- ✓ All Change Orders
- ✓ Sample of warrants and invoices

Final Expenditure Audit

District Certifications

- ✓ *Application for Funding (Form SAB 50-04)*
 - 60% Commensurate
- ✓ *Fund Release Authorization (Form SAB 50-05)*
 - funds must be released within 18 months of apportionment
 - binding contract(s) for at least 50% of Construction
 - District's share

Final Expenditure Audit

District Certifications (con't)

- ✓ Labor Compliance Program approval
- ✓ Restricted Maintenance deposit
- ✓ Force Account Labor
- ✓ Disabled Veteran Business Enterprises

Savings Usage

Non-Financial Hardship Projects

State's Share

- District's matching share
- Future high priority capital facility needs of the District

Exception: For new construction project *reimbursement*, the State's share of savings must be returned to the State pursuant to Regulation 1859.70.2(d).

Savings Usage

Non-Financial Hardship Projects

District's Share

- Future high priority capital facility needs

Savings Usage

Financial Hardship Projects

- Return Savings to State, or
- Within 3 years, apply Savings to a future Financial Hardship Project(s) that has not yet been apportioned

OPSC Fiscal Contacts

Chief of Fiscal Services

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Financial Hardship

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Deferred Maintenance

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Lease-Purchase Program, Substantial Progress

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Resources

OPSC Website (www.opsc.dgs.ca.gov)

- SFP Substantial Progress and Expenditure Audit Guide
- SFP Regulations
- Forms, Checklists, and Worksheets
- Financial Hardship Information Brochure

Questions

