

Board Office Use / Legislative File Info	
File ID Number	09-2645
Introduction Date	6-14-10
Enactment Number	10-1182
Enactment Date	6-23-10



OAKLAND UNIFIED  
SCHOOL DISTRICT

*every student. every classroom. every day.*

every student. every classroom. every day.

# Memo

To Board of Education

From Anthony Smith, Superintendent  
Vernon Hal, Chief Financial Officer *VH*

Board Meeting Date June 23, 2010

Subject Memorandum of Understanding Engagement Audit Contract - Vavrinek, Trine, Day & Company, LLP (contractor) - (951) Financial Services (site/department)

**Action Requested** Ratification by the Board of Education of Memorandum of Understanding Engagement Audit Contract between Oakland Unified School District and Vavrinek, Trine, Day & Company, LLP. Services to be primarily provided to Financial Services Department for the period of July 1, 2009 through June 30, 2010.

**Background** Vavrinek, Trine, Day & Co., LLP will contract as the 3rd party financial consulting firm to evaluate the internal controls over recording and monitoring payroll transactions and related reconciliation of liability and cash accounts in the County Treasury prepared by the Alameda County Office of Education and with District bank accounts. The Performance Audit engagement will be performed in accordance with *Governmental Auditing Procedures for Performance Audits* (Yellow Book) issued by the Comptroller General of the United States.

**Discussion** Vavrinek, Trine, Day & Co., LLP is conducting this Performance Audit engagement with the understanding that the District has significant un-reconciled cash and payroll liability accounts that must be reconciled in order for the District to *receive* an unqualified opinion on its audit reports by The State Controller's Office due to the state receivership of the school district under Senate Bill 39 signed by the Governor on May 30, 2003.

**Recommendation** Ratification by the Board of Education of Memorandum of Understanding Engagement Audit Contract between Oakland Unified School District and Vavrinek, Trine, Day & Company, LLP. Services to be primarily provided to Financial Services Department for the period of July 1, 2009 through June 30, 2010.

**Fiscal Impact** Funding resource name General Fund not to exceed \$69,000 In recognition of the scope of the engagement, VTD will discount fees by 10%.

**Attachments**

- Memorandum of Understanding Engagement Letter



VAVRINEK, TRINE, DAY  
& COMPANY, LLP  
*Certified Public Accountants*

VALUE THE DIFFERENCE

August 14, 2009

Oakland Unified School District  
Oakland, California

#### Amendment 2 to Engagement Letter

The following paragraphs in our May 2, 2008 engagement letter require amendment to the advice, training, and technical assistance sections to include 330 hours of assistance to the District in completing the analysis necessary to close the 2008-09 fiscal year financial statement, providing information and documentation to the State Controller for the audit of the 2008-09 fiscal year, and development of an efficient reconciliation process for payroll liability accounts. The fees for the work will be \$69,000.

#### **TRAINING, TECHNICAL ASSISTANCE AND ADVICE.**

**2008-09 Fiscal Year Close.** Provide technical assistance and advice for the analysis and documentation of June 30, 2009 balance sheet accounts for all funds and adjustments to beginning fund balances for identified reconciling transactions at June 30, 2008. Includes one day staff training on balance sheet reconciliation best practices.

**2008-09 Annual Audit.** Provide technical assistance in responding to auditor requests for information and documentation.

**Payroll Liability Best Practices.** Provide technical assistance and advice for documenting and analyzing current practices and procedures contributing to errors and reconciling items and development of recommendations for changes to minimize error and facilitate efficient completion of payroll liability account reconciliations. Includes one day staff training on payroll liability account reconciliation best practices.

#### **FEES**

Fees of \$69,000 are based upon our standard billing rates less 10 percent for the 330 hours of professional services provided under this amendment. The hours required may be more or less than estimated depending upon the complexities encountered as the engagement progresses; therefore, the District may reallocate the hours as necessary to meet its priorities for utilization of our services.

### **TIMING OF THE ENGAGEMENT**

This engagement letter is effective for the 2009-10 fiscal year, July 1, 2009 through June 30, 2010. We anticipate that the hours will be expended by February 1, 2010 but may be utilized by the District through June 30, 2010.

### **OTHER TERMS AND CONDITIONS**

All other terms and conditions of the May 2, 2008 engagement letter remain unchanged.

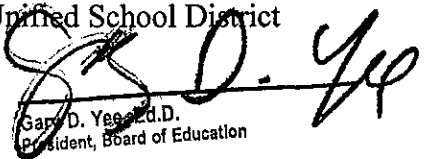
Vavrinek, Trine, Day & Co., LLP.



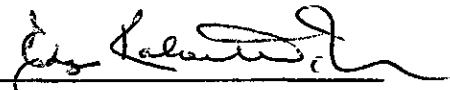
By: Thomas A. Brewer, Partner

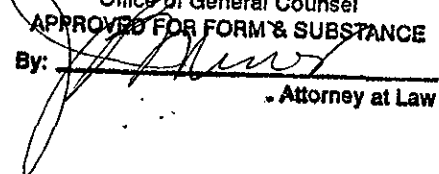
Date: August 14, 2009

Oakland Unified School District

  
Gary D. Yeager, Ed.D.  
President, Board of Education

By:

  
Edgar Rakestraw, Jr., Secretary  
Board of Education

OAKLAND UNIFIED SCHOOL DISTRICT  
Office of General Counsel  
APPROVED FOR FORM & SUBSTANCE  
By:   
Attorney at Law

### **LEGISLATIVE FILE**

File ID No. 09-2645  
Introduction Date 6-14-10  
Enactment No 10-1182  
Enactment Date 6-23-10

