

## **Sample Scope of Work Description for Comprehensive Bond Performance Audit That Complies with Legally Mandated Prop39 Requirements for Proposition S:**

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### **Objectives and Scope:**

Conduct a performance audit of the Proposition S (Bond) construction program in accord with Government Auditing Standards (GAO-070731G, referred to below as GAGAS) for the following interrelated purposes:

- 1) Bond Requirements and Controls – Determine compliance with Bond requirements and controls established to assure efficiency and effectiveness of the construction program (GAGAS 1.29 e.).
  - a) Evaluation of Needs
  - b) Bond Issuance Limitation
  - c) Independent Citizens' Oversight Committee (ICOC)
  - d) Annual Performance audits
  - e) Annual Financial Audits
  - f) Charter Schools
  - g) Special Bond Proceeds Account Annual Report to Board
  - h) Other Terms of the Bonds
  - i) Compliance with state laws
- 2) Bond Expenditures – Validate expenditures against Bond projects, allowable purposes, and contract terms and conditions (GAGAS 1.29 j.).
  - a) Bond Project List
  - b) Specific Purposes
  - c) Joint Use
  - d) Bond Sustainability Standards
  - e) Renovation/Modernization
  - f) Compliance with CA Public Contract Code
  - g) Expenditure reporting to Board and ICOC
- 3) Bond Management Practices – Determine the current status of legally mandated management practices, internal controls and best business practices, for managing bond construction programs (GAGAS 1.29 e.).
  - a) Scope, Schedule, and Budget Controls
  - b) Management of Architects and other Consultants
  - c) Design and Construction Standards
  - d) Bidding and Procurement Procedures
  - e) Management of Construction
    - i) Quality Control
    - ii) Cost Control
      - (1) Change Orders and Claims Avoidance
      - (2) Monitoring of Construction Schedules
  - f) Payment Procedures
  - g) Staffing Plan
- 4) Added Funding Sources for Bond Projects – Determine and document the current status of efforts to obtain added funding for Bond listed projects (GAGAS 1.29 e.).
  - a) Efforts and internal controls to identify, apply for, acquire, and ensure compliance with requirements for various non-Bond funding sources
    - i) State New Construction and Modernization
    - ii) E-Rate
    - iii) Other funding sources

- 5) Bond Related Programs – Determine and document the current condition of Bond related programs (GAGAS 1.29 e.)
  - a) Labor Compliance Program
  - b) Contractor Pre-Qualification
  - c) Project Labor Agreement
  - d) Public Outreach Programs
    - i) Participation by Local Firms
    - ii) Participation by Small and Disadvantaged businesses
    - iii) Participation by Disabled Veteran Business Enterprises (DVBE)
- 6) Cost Saving Efforts – Determine and document the current status of cost saving efforts (GAGAS 1.29 e.)
  - a) Reduction of Professional fees
  - b) Reduction of site preparation costs
  - c) Joint use of core facilities
  - d) Reduce costs through efficiencies in school design
  - e) Reuse of plans
  - f) Sustainability (Bond & California's Collaborative for High Performance Schools)

**Tasks:**

Specific tasks include, but are not be limited too, sampling and/or review of:

- 1) Voter material and Bond documents
- 2) Facilities planning documentation including but not limited to:
  - a) Facility Master Plans
  - b) Deferred Maintenance (DM) and Major Repair & Replacement (MRR) Plans
  - c) Educational Specifications and Design Standards
  - d) Specification Standards for construction materials and building systems
- 3) Documentation of internal controls, policies, and procedures
- 4) Prior and relevant audits
- 5) Bond Management Plan
- 6) Staffing plans
- 7) Status of Bond projects
- 8) Procurement bid and award documentation
- 9) Contracts
- 10) Payment applications and invoices
- 11) Relevant financial records and transactions
- 12) Board of trustee and citizens' oversight committee reports
- 13) Board of trustee agenda packets and minutes
- 14) Interviews with district personnel and stakeholders
- 15) Site walks

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**Deliverables:**

Performance Audit report must address, but is not limited to addressing, the following subjects:

- 1) Bond proceeds used only for listed Bond projects, and use is limited to allowed purposes, (CA Constitution Article XIII A Section 1(b) (3))
- 2) Listed Bond projects based on evaluation of safety, class size reduction, and information technology needs to improve learning and accommodate student enrollment, (CA Constitution Article XIII A Section 1(b) (3) (B))
- 3) Annual independent performance audits of Bond have been completed, (CA Constitution Article XIII A Section 1(b) (3) (C))

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- 4) Annual independent financial audits of Bond have been completed, (CA Constitution Article XIII A Section 1(b) (3) (D))
- 5) Management Practices
- 6) Identification, acquisition, and status of augmenting funding sources
- 7) Bond related programs
- 8) Implementation of cost saving efforts

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