

# Schools to Raise Bar for Bond Audits

[Nigro, Nigro and White sample audit](#) ATTACHED

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After a nonprofit watchdog questioned whether schools have been [skimping on mandated audits](#) of their construction bonds, San Diego Unified may set a higher bar for its bond auditors.

"A two-pager saying that, 'There's no findings, thank you very much' -- that's not enough for me to work with," said Stuart Markey, who manages the \$2.1 billion school construction bond for San Diego Unified. He added, "If they can't deliver that -- or don't intend to -- then we'll get another auditor."

The California League of Bond Oversight Committees has alleged that several school auditors, including the firm recently hired to audit the bond at San Diego Unified, have done reviews that don't meet the legal standard and fraudulently labeled them as the legally required audits. Nigro, Nigro & White, which was listed in their complaint, says it was inaccurate to include them.

"They call them performance audits," said CaLBOC Executive Director Anton Jungherr. "But in our view, they don't meet the standard."

Jungherr and a representative from Total School Solutions, a Fairfield-based company that has audited bonds across the state, met today with the people charged with overseeing the San Diego Unified construction bond to talk about what the audits should include.

They also showed [a sample audit](#) from West Contra Costa Unified School District that spanned 147 pages and included details on payment procedures, bidding and other nuts and bolts of the program.

Such an audit should answer "How well is the engine running? Are we really getting a good product, or are we letting things slide past us?" said Henry Petrino, planning director for the Fairfield company.

Nigro, Nigro & White performance audits, by contrast, may be relatively brief. One sample audit, provided by the company, was significantly shorter than the Contra Costa audit. (The performance audit is on pages 14 through 17; the rest is a financial audit, which is a different, though also legally required, type of review.)

John Stump, an attorney and parent who leads the subcommittee that met with Jungherr, said a more intensive, more frequent review like the Contra Costa audit could help the school district catch and prevent problems beforehand, instead of serving merely as a "gotcha" audit afterward. Whether such an audit will cost more -- and how much more -- is uncertain.

"But our goal is not to produce an inferior product at a good price," said George Harris, a San Diego Unified staffer who is overseeing a labor pact on the bond. -- EMILY ALPERT