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PPS Bond Audit Yr 5

Board Presentation

January 22, 2025

Who We Are

- Sjoberg Evashenk Consulting is a Certified Woman-Owned Small Business for 25 years
- Public Sector Clients Only
- Founded by former California State Auditor
- Team of Professional CPAs, MBAs, CIAs, CCAs, and more



Bond Audit Background

- Audits Started During 2012 Bond with Different Auditor
- PPS Hired Sjoberg Evashenk Consulting to conduct annual performance audits for the 2017 and 2020 bond programs
- Follow Generally Accepted Government Auditing Standards
- Approach to Annual Audit Scope Area Development





Past Annual Bond Audits

1

Year 1 (4/2017-3/2019)

- Cost estimation for pre-bond budgets
- 2017 Bond project status
- Program delivery framework and document management
- Project planning, ed specs, design, value engineering
- 2012 prior audit recommendations
- Final report: Phase I (April 2019), Phase II (Sep 2019)

2

Year 2 (4/2019-3/2020)

- 2017 Bond project status
- Health & Safety projects
- Contracting & procurement
- Construction management
- Prior audit recommendations
- Final report: July 2020



More Annual Bond Audits

3

Year 3 (4/2020-3/2021)

- 2017 Bond project status
- Business equity
- Bond communications
- Prior audit recommendations
- Final report: November 2021

4

Year 4 (4/2021-3/2022)

- 2017 Bond project status
- Closeout practices
- Workforce equity
- Project performance and related metrics
- 2020 Bond program framework
- Expenditure testing and bond compensability
- Final report: February 2023

Year 5 Audit (4/2022-6/2023)

- 2017 & 2020 Bond Status
- Career Equity Learning
- Curriculum Delivery, Management & Outcomes
- Technology Delivery, Management & Outcomes
- Prior Audit Recommendations



**Final Report:
May 2024**

Report Section 1

2017 Bond Program on Target for Completion

Focus

- Budget and Schedule for Lincoln & Benson HS
- Budget and Schedule for Health & Safety Projects

Key Results

- Benson cost increased but covered by 2020 bond
- Lincoln est. to have \$9 million in savings
- Lincoln & Benson HS generally on schedule
- H &S projects on target for completion spending up to budget

Recommendations

None

Report Section 1 (cont.)

2020 Bond Program Generally Progressing as Planned

Focus

Budget and Schedule for:

- Benson & Jefferson HS
- Physical Improvements
- Curriculum
- Technology
- Special Education
- Capacity (Harrison Park)
- Center for Black Student Excellence (CBSE)
- Planning/Design of Cleveland & Ida B. Wells HS

Key Results

- Delivering as planned but some delays, cost increases, & scope changes
- Contingency funds used for cost increases
- Alternate actions to address challenges met bond intent
- Technology & CBSE projects delayed

Recommendations

None in this section, CBSE discussed in Appendix A

Report Section 2

Career Learning Equity Program Inadequate to Meet Objectives

Focus

- Program Structure and Framework
- Protocols and Practices
- Targets and Metrics
- Monitoring and Outcomes

Key Results

- No structured program, protocols, clear procedures, defined responsibilities, or active management
- No targets or outcome tracking, so PPS can't tell if it met equity goals
- Opportunities for some career learning did occur

Recommendations

1. Research & assign resources needed to have a structured program, clear responsibilities, coordination, data tracking, and outcomes
2. Revise the AD to limit scope of program to align with PPS capacity

Report Section 3

Practices in Place to Deliver Curriculum & Technology as Intended, with Cost & Scope Challenges being Mitigated

Curriculum Focus

- Framework to Manage:
 - Roles & responsibilities
 - Prioritization & decisions
 - Process, controls, monitor
- Delivery of improvements scope, cost, and schedule
- Metrics, Outcomes, & Results

Curriculum Results

- Appropriate framework to manage and monitor
- Used analysis-driven methodologies to make decisions and prioritize
- Solid tools to monitor funds & oversee delivery
- On target to be spent and delivered as pledged
- Outcomes & results still TBD
- General Fund needed to replace non-compensable exp

Recommendations

None

Report Section 3 (cont.)

Practices in Place to Deliver Curriculum & Technology as Intended, with Cost & Scope Challenges being Mitigated

Technology Focus

- Framework to Manage:
 - Roles & responsibilities
 - Prioritization & decisions
 - Process, controls, monitor
- Delivery of improvements scope, cost, and schedule
- Metrics, Outcomes, & Results

Technology Results

- Similar adequate framework, analysis-driven methods for prioritization & decision, & solid tools to monitor delivery
- Generally progressing as planned, but schedule & scope impacting by planning issues
- General Fund needed to replace non-compensable exp
- Outcomes & results still TBD

Recommendations

None

Appendix A

Status of Prior Performance Audit Recommendations

Lack of Progress

- No evidence of progress since prior audit in 2022
- OSM Progress reported could not be verified since no supporting documents were provided

54% of Recs Outstanding

- 27 of 50 recs still in-progress (23 complete)
- Most recs outstanding from Year 3 and Year 4 audits
- 2 recs cannot be addressed until 2017 projects closed out
- 4 recs relate to CBSE with no 2020 bond funds spent and no projects identified—risk is that it won't be on-schedule or delivered as intended

Other Examples

- 8 prior recs relate to business equity program
- 5 prior recs relate to change orders and contract language related to contractor payments.
- 2 prior recs related to performance metrics
- 1 prior rec from 2019 relates to guidance on value engineering & design deviations on future projects

Looking Forward...In-Process Year 6 Focus Areas

- **2017 Bond Status**
- **2020 Bond Status**
- **2020 Physical Facility Improvements**
- **Bond Program Staffing**
- **Bond Oversight**
- **Prior Audit Recommendations**





Questions?



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