

2018-131 AUDIT SCOPE AND OBJECTIVES

Alum Rock Union Elementary School District

The audit by the California State Auditor will provide independently developed and verified information related to the Alum Rock Union Elementary School District (Alum Rock). The audit's scope will include, but not be limited to, the following activities:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Review the Alum Rock Board of Trustees' (board) actions over the past five years and, for a selection of ten actions each year, perform the following:
 - (a) Determine whether the board adhered to applicable laws and regulations, including, but not limited to, the Political Reform Act.
 - (b) Determine whether those actions had or could have any negative impact on the financial stability of the district.
 - (c) Determine whether those actions had or could have any negative impact on Alum Rock's administrative and programmatic stability or its ability to provide required student educational services.
3. Determine whether any member of the board has undertaken efforts to interfere in the operations of Alum Rock, misappropriate funds, or issue contracts and contract payments in violation of applicable laws.
4. For a selection of employment decisions relating to the superintendent and any other Alum Rock staff reporting directly to the board, determine whether board's actions, if any, were consistent with and adhered to applicable employment laws.
5. Assess the board's compliance with the Brown Act with regard to providing notice and conducting regular open meetings and closed-session meetings.
6. For a selection of financially related actions taken by the board during the last five years, determine whether the conduct of board members, including, but not limited to their dealings with municipal finance firms—such as underwriters, financial advisors, bond counsel, or construction contractors—adhered to applicable ethics and bond laws.
7. For a selection of construction, legal services, and bond program management services contracts, determine whether the solicitation, awarding, and monitoring of the contracts complied with applicable laws, regulations, and best practices relating to conflicts of interest and municipal contracting practices.
8. Determine whether the board disseminated accurate information to taxpayers regarding the approval of bonds, the sale of bonds, the use of bond funds, or the issuance, sale, or use of Certificates of Participation.
9. Determine whether the board followed applicable laws, regulations, and policies in making appointments to or otherwise overseeing the implementation and operation of the Bond Oversight Committee.

2018-131 AUDIT SCOPE AND OBJECTIVES

Page 2

10. To the extent possible, determine whether the board, individual board members, or board staff interfered with, directed others to interfere with, or took any action intended to retaliate against employees who exercised their rights under applicable whistleblower laws or provided information to aid any investigation or review, including any investigations conducted by the Securities Exchange Commission or the District Attorney.
11. Determine whether, during the past three years, the board disagreed with any findings or recommendations of the Fiscal Crisis and Management Assistance Team, the Santa Clara County Office of Education, or the 2017–18 Santa Clara County Civil Grand Jury report, and whether this disagreement may have undermined the ability of Alum Rock to meet the needs of its students.
12. Review and assess any other issues that are significant to the audit.