

CHARTER OFFICE OF THE INSPECTOR GENERAL

Purposes

The purpose of the Office of the Inspector General (OIG) is to protect the integrity of the Los Angeles Unified School District's (District) programs. The OIG will accomplish this purpose by detecting and deterring (i) fraud, waste and abuse in District programs and (ii) misconduct by District personnel or anyone contracted to provide services to the District. The OIG will also assist District staff in promoting integrity, economy, efficiency, and effectiveness in District programs and operations through its audits, inspections, investigations and special reviews.

The OIG will help the District engage in continuous process improvement through independent and objective oversight.

The major functions of the OIG are to:

- Investigate violations of law and District regulations for appropriate criminal prosecution, civil litigation, and/or administrative action.
- Conduct, report and follow-up on financial audits of departmental organizations, programs, contracts, grants and other agreements.
- Conduct, report and follow-up on performance audits and inspections of programs and operations within the District.

Scope of Work

Internal Audit

- Prepare a flexible, risk based annual audit plan based upon changing District conditions, priorities and new areas of risk. Revisions to the annual audit plan will be based on a rolling risk assessment methodology.
- Assess whether the appropriate level of internal control exists within District processes, programs, functions and activities to manage and mitigate risks.
- Cooperate with external auditors in the review of District programs.
- Determine whether District processes are operating efficiently and effectively and support the achievement of objectives.
- Perform audits and reviews of schools to ensure that student body, imprest, and grant funds are used and accounted for properly.
- Support the District's oversight of charter schools through the performance of independent audits and reviews of selected schools.
- Conduct performance audits and reviews of District organizational units to test for efficiency, effectiveness and compliance.
- Test compliance with the requirements of selected grants.
- Advise the Board of Education regarding the appropriate level and kinds of resources needed to carry out the audit function, improve internal controls, and detect and prevent fraud.

Contract Audit

- Determine whether bond funds are properly accounted for and spent for their intended purposes.
- Ensure that controls exist to avoid, mitigate or prevent wasteful, careless or inefficient practices by contractors.
- Advise the Board of Education regarding effective methods of contracting, including the selection process and awarding of contracts.
- Conduct pre-award and post award audits of District contracts.
- Ensure that the District's contract process is fair and credible.

Investigations

- Conduct investigations and review investigations carried out by others, to detect and prevent waste, fraud and abuse in the District's programs and operations.
- Determine whether employee's actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Identify systemic issues and systemic steps that can be taken to reduce fraudulent or unethical activities.
- Manage the District's Fraud Hotline. Investigate or refer allegations made via the Fraud Hotline.
- Protect individuals who allege misconduct from retaliation to the extent allowed by law and pursuant to the District's Whistle Blower Protection Policy.
- Recommend remedies in situations where apparent fraudulent or unethical behavior has been found.
- Protect the due process rights of individuals and corporate entities that are accused of wrongdoing.
- Coordinate with appropriate offices and agencies when criminal activity is suspected.
- Take initiative to root out corruption, fraud or unethical conduct in all District programs.

Authority of the Inspector General

The Inspector General is authorized:

- To audit and investigate any and all functions within the District as well as charter schools, charter school management organizations, and private entities that conduct business with the District.
- To have full, free and unrestricted access to all District records, reports, audits, reviews, plans, projections, documents, files, contracts, memoranda, correspondence, data or information on hardcopy or electronic media, or other materials of the District.
- To have unrestricted access to all District personnel.
- To subpoena witnesses, administer oaths or affirmations, take testimony and compel the production of such books, papers, records and documents as may be deemed relevant to any audit, inquiry or investigation undertaken.
- To hire staff or employ contract services within the scope of the budget authorized by the Board of Education and within employment and public procurement requirements.

- To share information relating to possible criminal acts with appropriate law enforcement officials.

Qualifications and Term of the Inspector General

The Inspector General shall have knowledge and experience in the following areas:

- Accounting and auditing
- Investigative techniques
- Criminal law, civil law, rules of evidence and expert witness matters
- Management of a professional staff

The following process shall be used to fill the Inspector General's position:

- The Personnel Commission advertises the position and screens candidates.
- The Personnel Commission presents three to five candidates to the Board of Education.

The Board of Education shall appoint the Inspector General for a three-year term. The appointment may be renewed at the Board's discretion.

Relationship to the Board of Education

The Inspector General shall report to the Board of Education. The Inspector General shall present an annual work plan for the Board of Education's review and approval. The OIG shall apprise Board members of audits and investigations in progress monthly, unless directed by the Board otherwise, and seek their approvals and recommendations as appropriate. The Inspector General shall keep the Board of Education fully and currently informed concerning reports of fraud and other serious problems, abuses, and deficiencies related to the administration of programs and operations.

The Inspector General may communicate directly with members of the Board and/or the Board President regarding any issue that requires the immediate attention by the Board of Education, whether they are informative in nature or requiring direction or approval.

When it is appropriate to discuss matters in closed session, the Inspector General may schedule such matters for closed session discussion with the Board of Education.

The Board of Education shall schedule time as needed to hear concerns and recommendations of the OIG and responses of District management.

The Inspector General shall submit an annual report to the Board of Education by July 31 of each fiscal year. The report shall summarize the activities of the OIG during the preceding fiscal year.

The Board of Education shall evaluate the Inspector General's performance on an annual basis. The evaluation shall be based on the accountability standards set by the Board of Education and as provided in the Inspector General's employment contract.

Each spring, the Board of Education shall establish a fiscal-year budget for the OIG, taking into account the amount the Inspector General requests to perform his or her mission and the District's overall financial condition. The Board of Education may modify the OIG's budget during the course of the fiscal year as conditions warrant. The Superintendent and his or her staff have no authority to reduce the budget of the OIG without an express vote of the Board of Education.

Relationship to District Management

The Board of Education expects and encourages the OIG to be an independent voice that expresses its views without censorship by District management. The OIG is expected to develop its own annual priorities for approval by the Board of Education, identify problems within the District or with its vendors, and where appropriate recommend solutions. The Board recognizes that the OIG and District management may not always agree regarding the OIG's priorities, analyses, or recommendations.

While fully supporting the independence of the OIG, the Board of Education also believes that District management and the OIG are parts of a single organization with a common purpose of improving education and being good stewards of the District's resources. The Board expects the OIG and District management to develop and maintain a relationship that is designed to further their common purpose. The OIG and District management are expected to meet regularly, discuss priorities, share information and ideas, and seek agreement where possible so that the OIG's work can contribute most effectively to the District's primary objectives.

District management is responsible for the day-to-day management of District programs, which includes establishing and maintaining effective controls to ensure that: appropriate goals and objectives are met; resources are safeguarded; laws, regulations and policies are followed; and reliable data are obtained, maintained and fairly disclosed. District management is also responsible for establishing policies and systems of internal control that discourage fraudulent or unethical behavior.

The OIG is responsible, along with the District's external auditors, for reviewing, testing and evaluating the District's internal control structure to ensure that resources are used properly, efficiently, and effectively. The OIG shall keep the Superintendent fully and currently informed concerning reports of fraud and other serious problems, abuses and deficiencies related to the administration of programs and operations.

District management is expected to respond to OIG reports and inquiries in a timely manner, to communicate its agreement or disagreement with any recommendations made in OIG audits, and to track the implementation of recommendations with which it agrees. Similarly, District management is expected to track any actions it takes in response to OIG investigations. District management is responsible for reporting any allegations or evidence of misconduct to the Inspector General and for providing full information to the staff of the OIG about matters in which the OIG has a legitimate interest. District management is expected to protect employees who contact the Inspector General and/or staff of the OIG from reprisal or threat of reprisal, unless the employee knowingly gave false information or gave information with willful disregard for its truth or falsity.

Role of Other Offices

The LAUSD's General Counsel is responsible for advising the Board of Education regarding its legal options in the pursuit of remedies against employees and contractors.

The LAUSD School Police and other Police agencies are responsible for investigating alleged crimes other than white-collar crime.

The LAUSD Student Safety Investigation Team is responsible for investigating allegations of employee misconduct involving students.

The LAUSD Personnel Commission is responsible for investigating alleged violations of the classified merit system laws and rules.

The OIG will coordinate media contacts with the District's Director of Communications.