

## SEATTLE SCHOOL DISTRICT No. 1 – GC/CM NORTHGATE ELEMENTARY SCHOOL REPLACEMENT PROJECT

1. The response concerning audit findings lists only internal audits. What is the legal status of the District's internal audits and do the issues discussed constitute "findings" in the same sense as the term is used by the State Auditor?

Response:

*The State Auditor's Office (SAO) is the district's external auditor; the Office of Internal Audit is the district's in-house auditor. SAO audits are required by RCW 43.09; internal audits are required by Board Policy 6550.*

*As it relates to the district's construction activity, there is an annual SAO audit that is compliance in nature--compliance with laws, regulations, contracts, agreements, and district policies. These findings tend to relate to bid laws, public works procurement procedures, or significant change orders. SAO has issued no recent audit findings.*

*Internal audits are broader in terms of reach and center on improving outcomes. They focus on efficiency and effectiveness, adherence to best practices, opportunities for cost savings, and process improvements, in addition to compliance.*

*Except for the source, Internal audit findings are the same as SAO findings. The district's two internal auditors are former SAO auditors. In terms of importance, the school board assigns equal value to internal and external audit findings and both audit reports are required to be made public.*

2. Is Seattle Public Schools subject to State audit, and, if so has the State issued any findings, what were they, and what was the resolution?

Response:

*Yes. The SAO has issued no recent audit findings related to capital projects, therefore there are no recent resolutions to disclose.*