
AGENDA ITEM: Status Update – Fiscal Year 2017 Audit Reporting Packages

Issue

Due to a ransomware attack that the charter holders indicated affected their ability to timely submit their fiscal year 2017 audit reporting packages, the Board approved a motion at its November 21, 2017 meeting directing staff to place Franklin Phonetic Primary School, Inc. (Entity ID 4495) and Franklin Phonetic Primary School, Inc. (Entity ID 92596) on the December agenda.

Background

At its November meeting, the Board considered those charter holders that had not yet submitted their fiscal year 2017 audit reporting packages, which were due on November 15. During the meeting, the Board received information regarding a ransomware virus that infected the accounting computer used by the Franklin Phonetic charters and the USB backup that was connected to the accounting computer. Typically, the Board votes to withhold funds from charter holders that fail to timely submit their audits, but the Board made an exception based on the circumstances presented by the Franklin Phonetic charters. During the November meeting, the Franklin Phonetic charters indicated the audit firm estimates to complete the audits by December 15, assuming no unusual problems are encountered.