

Washington State Auditor's Office
Accountability Audit Report

Grandview School District No. 200
Yakima County

Report Date
September 12, 2012

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WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

October 1, 2012

Board of Directors
Grandview School District No. 200
Grandview, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your District to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role to advocate for government accountability and transparency and to promote positive change.

Please find attached our report on Grandview School District No. 200's accountability and compliance with state laws and regulations and its own policies and procedures. Thank you for working with us to ensure the efficient and effective use of public resources.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Yakima County
September 12, 2012**

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Audit Summary

**Grandview School District No. 200
Yakima County
September 12, 2012**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Grandview School District No. 200 from September 1, 2009 through August 31, 2011.

We evaluated internal controls and performed audit procedures on the activities of the District. We also determined whether the District complied with state laws and regulations and its own policies and procedures.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. The following areas were examined during this audit period:

- Financial condition
- Enrollment
- Alternative Learning Experience
- Scholarship donation

RESULTS

In most areas, the District complied with state laws and regulations and its own policies and procedures.

However, we identified a condition significant enough to report as a finding:

- The District lacked adequate controls over its enrollment reporting for its Alternative Learning Experience program at Compass High School.

We also noted certain matters that we communicated to District management. We appreciate the District's commitment to resolving those matters.

Related Reports

**Grandview School District No. 200
Yakima County
September 12, 2012**

FINANCIAL

Our opinion on the District's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the District's financial statements.

FEDERAL GRANT PROGRAMS

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the District's major federal programs, which are listed in the Federal Summary section of the financial statement and single audit report.

Description of the District

Grandview School District No. 200 Yakima County September 12, 2012

ABOUT THE DISTRICT

Grandview School District No. 200 serves approximately 3,600 students in Yakima County. The District provides a full range of school programs and services including basic elementary, middle school, high school, vocational education, bilingual education, pupil transportation, food services, special education and remedial and enriched education programs.

An elected, five-member Board of Directors governs the District. The Board appoints management to oversee the District's daily operations as well as its approximately 210 certificated and 200 classified employees. For the 2010-2011 and 2009-2010 fiscal years, the District operated on annual budgets of approximately \$35 million and \$34 million, respectively.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Directors:

Paul Jepson, President
Lydia Moreno, Vice President
Zulma Ochoa
Alfonso Contreras
Tim Grow

APPOINTED OFFICIALS

Superintendent
Assistant Superintendent of Finance
and Operations

Kevin Chase

Bradford Shreeve

DISTRICT CONTACT INFORMATION

Address: Grandview School District No. 200
913 W. 2nd Street
Grandview, WA 98930

Phone: (509) 882-8500

Website: www.grandview.wednet.edu

AUDIT HISTORY

We perform a financial statement and federal single audit at the District each year and an accountability audit every two years. District staff is receptive to audit recommendations and are proactive in addressing concerns that arise during the course of the audit.

Schedule of Audit Findings and Responses

Grandview School District No. 200 Yakima County September 1, 2009 through August 31, 2011

1. **The District lacked adequate controls over its enrollment reporting for its Alternative Learning Experience program at Compass High School.**

Background

Alternative Learning Experience (ALE) is an individualized course of study that school districts may claim for basic education funding provided the district complies with state regulations.

The Office of Superintendent of Public Instruction (OSPI) establishes the rules and provides instructions on ALE enrollment reporting for state funding.

District management is responsible for designing and following internal controls that provide reasonable assurance regarding the reliability of documentation supporting enrollment reporting in ALE. Our audit identified significant deficiencies in controls that adversely affect the District's ability to follow state law and administrative code and OSPI guidance, to produce reliable support for ALE reported for apportionment funding.

Description of Condition

In the 2010 and 2011 school years, the District received approximately \$17.3 and 16.3 million in combined funding based on enrollment and education and experience of its teachers. The District's ALE program generated approximately \$310,948 and \$301,089, respectively, of this funding.

Our audit identified the following weaknesses in internal controls that, when taken together, represent a significant deficiency:

Student learning plans

- State regulation requires Districts to prepare written learning plans for each ALE student designed to meet the student's individual educational needs prior to counting for enrollment. The District did not consistently have these plans in place for each student on the monthly count dates.
- State regulation requires monthly progress reviews that measure student performance against learning goals in the learning plan. Progress reviews are the basis for reporting ALE enrollment after the first month of the school year. The District could not provide documentation to show that all progress reviews occurred monthly.
- State regulation requires Districts to document the beginning and ending dates of the student's ALE in the written student learning plan. The District did not provide end dates for some of the plans.

- State regulation requires high school students' learning plans to identify whether the ALE meets state and district graduation requirements. The District did not document this information.
- For fiscal year 2010 only, state regulation requires districts that provide ALE to students under the school choice enrollment provisions to obtain a release from the district in which the student resides before counting the student for enrollment. The District did not do so.

Cause of Condition

District personnel were not aware of the requirements for claiming funding for ALE students.

Effect of Condition

For fiscal year 2010, the District reported 553.37 monthly full-time equivalent (FTE) students (61.91 annual FTE) in its ALE program. We found a 53.16 percent error rate in factors that support apportionment funding, resulting in an overpayment of approximately \$164,188.

For fiscal year 2011, the District reported 557.08 monthly FTE students (61.9 annual FTE) in its ALE program. We found a 52.99 percent error rate in factors that support apportionment funding, resulting in an overpayment of approximately \$159,549.

Recommendation

We recommend the District establish and follow controls to ensure:

- Written student learning plans with a beginning and end date and designed to meet the student's individual learning needs are in place prior to counting students for ALE enrollment funding.
- Written student learning plans contain all of the required items.
- Progress reviews are completed monthly.
- Forms are signed and dated by the releasing school district prior to counting the student for enrollment.

We also recommend the District work with OSPI to determine resolution of the overpayment.

District's Response

The Grandview School District has always made sure that our Contract Learning Center (ALE program) students have been fully served. This student population includes the most at-risk students in our school system.

Both our principal and lead ALE teacher attended seminars on RCW/WAC ALE requirements for the last couple of years and followed the guidance received at these meetings.

The district had student learning plans prior to each count date; however, as the plans were revised the previous version was replaced with the new version, which would have shown them in effect on monthly count days. There was a student learning plan in place for every single day of every single month.

The audit had requested verbiage that included “satisfactory progress” for each student monthly. In fact, the teacher meets face to face with each student weekly and writes progress narratives describing the student accomplishments and areas of need. The District has the authority to determine what terms are used to describe satisfactory progress. We assert that the progress narratives meet that standard.

The audit specifies that not all learning plans had end dates. The student learning plans (learning packets) had beginning dates and recommended end dates specified for each curriculum strand. If the student did not complete the packet within the specified end date, then the packet was ‘Extended’ by default and the actual completion date specified on the packet.

All courses offered meet state and district graduation requirements. There are no courses that do not meet state and District requirements.

How these relatively minor adjustments to our otherwise in-place student learning plans can be deemed ‘significant’ and merit the recovery of nearly \$323,737 does not make a lot of sense. Recovering that much funding from a program that is already facing other cuts is just not educationally sound, nor, we believe, merited.

We do not believe this warrants a Finding given that we have not been audited on these criteria in the past and a management letter would have been the appropriate venue to help us correct the minor exceptions that were listed. We contend that we fully served all ALE students in our program.

In an effort to further strengthen our internal controls we have changed our weekly narrative progress reviews to include a greater ‘yes/no’ specificity on a monthly basis to determine satisfactory progress. We are relabeling our student learning plans to ensure alignment with the WAC’s required items, inclusive of date and course code requirements.

We appreciated the professionalism of the auditor’s office.

Auditor’s Remarks

We appreciate the District’s commitment to resolve this finding and thank the District for its cooperation and assistance during the audit. We reaffirm our finding. We will review the corrective action taken during our next regular audit.

Applicable Laws and Regulations

Washington Administrative Code 392-121-182, Alternative learning experience requirements, states in part:

(4) Written student learning plan: Each student enrolled in an alternative learning experience course of study shall have a written student learning plan designed to meet the student's individual educational needs . . . The written student learning plan shall include, but not be limited to, the following elements:

(a) A beginning and ending date for the learning experience;

(b) An estimate of the average number of hours per week that the student will engage in learning activities to meet the requirements of the student learning plan. This estimate may be used in

reporting enrollment in compliance with subsection (5) of this section and must be based upon the criteria in subsection (6) of this section;

(c) A description of how weekly contact requirements will be fulfilled;

(d) A description of the specific learning goals and performance objectives...The description shall clearly identify the requirements a student must meet to successfully complete the course of program;

(e) A description of instructional materials essential to successful completion of the learning plan; and

(f) A description of the timelines and methods for evaluating student progress toward the learning goals and performance objectives specified in the learning plan.

(5) Enrollment reporting: Effective the 2005-06 school year, the full-time equivalency of students enrolled in alternative learning experience programs shall be determined as follows:

(a) Using the definition of full-time equivalent student in WAC 392-121-122 and the number of hours the student is expected to engage in learning activities as follows:

(i) On the first enrollment count date on or after the start date specified in the written student learning plan, the estimated average weekly hours of learning activity described in the written student learning plan;

(ii) On subsequent monthly count dates, if the student's progress review pursuant to subsection (6) of this section indicates satisfactory progress, the student's full-time equivalent shall be based on the estimated average weekly hours of learning activity identified in the student learning plan;

(iii) If the student's progress review indicates a lack of satisfactory progress, the student's full-time equivalent shall be based on the estimated average weekly hours of learning activity described in the student learning plan, and the actual number of hours the student engages in learning activity pursuant to the written student learning plan shall be documented during the ensuing month. Documented hours shall encompass only time spent on those learning activities intended to accomplish the learning goals and performance objectives identified in the written student learning plan, shall meet the following criteria and shall be verified by district staff . . .

(iv) On subsequent monthly count dates, if the student's progress review indicates a lack of satisfactory progress, the student's full-time equivalent shall be based on the actual

average weekly hours of learning activity documented during the prior month;

(v) Enrollment of part-time students shall be subject to the provisions of RCW 28A.150.350, and shall generate the pro rata share of full-time funding.

(b) The enrollment count shall exclude students meeting the definition of enrollment exclusions in WAC 392-121-108 or students who have not had direct personal contact with school staff for twenty consecutive school days. Any such student shall not be counted as an enrolled student until the student has met with appropriate school staff and resumed participation in their alternative learning experience or participated in another course of study as defined in WAC 392-121-107;

(c) School districts providing alternative learning experiences to nonresident students shall document the district of the student's physical residence, and shall establish procedures that address, at a minimum, the coordination of student counting for state funding so that no student is counted for more than one full-time equivalent in the aggregate.

(6) Accountability for student performance:

(a) At minimum, students enrolled in alternative learning experiences shall have their educational performance evaluated according to the following process and schedule:

(i) Each student's educational progress shall be reviewed at least once per month. The progress review shall be based on the learning goals and performance objectives defined in the written student learning plan.

(ii) The progress review shall be conducted by school staff and shall include direct personal contact with the student. If allowed by district policy, direct personal contact may include the use of telephone, e-mail, instant messaging, interactive video communication, or other means of digital communication. The results of the review shall be communicated to the student and, where possible, the student's parent(s) or guardian.

(iii) Based on the progress review, school staff shall determine and document whether the student is making satisfactory progress in completing the learning activities and reaching the learning goals and performance objectives defined in the written plan.

(9) Documentation: In accordance with required records retention schedules, a school district claiming state funding for alternative learning experiences shall maintain the following written documentation available for audit:

(d) The written student learning plans required by subsection (4) of this section, including documentation of required weekly direct personal contact;

(e) Student progress reviews, evaluations, and assessments required by subsection (6) of this section;

(f) Student enrollment detail substantiating full-time equivalent enrollment reported to the state, including estimated total hours of participation in educational activities, and any actual documentation of hours of learning for those students failing to make satisfactory progress; and

(g) Signed parent enrollment disclosure documents required by subsection (3)(e) of this section.

Revised Code of Washington 28A.150.262 Defining full-time equivalent student -- Students receiving instruction through alternative learning experience online programs -- Requirements – Rules, states in part:

Under RCW 28A.150.260, the superintendent of public instruction shall revise the definition of a full-time equivalent student to include students who receive instruction through digital programs . . . The rules shall include but not be limited to the following:

(6) Requiring that supervision, monitoring, assessment, and evaluation of the alternative learning experience online program be provided by certificated instructional staff . . .

(9) Requiring, for each student receiving instruction . . . a learning plan that includes a description of course objectives and information on the requirements a student must meet to successfully complete the program or courses . . .

11) Requiring that each student . . . have direct personal contact with certificated instructional staff at least weekly . . . Direct personal contact is for the purposes of instruction, review of assignments, testing, evaluation of student progress, or other learning activities

Secretary of State Disposition Authority Number SD51-02-03 provides the retention period for enrollment reports:

. . . enrollment reports that generate apportionment funding are 3 years or until completion of audit.

Secretary of State Disposition Authority Number SD51-04-04 and SD51-04-05 provides the retention period for Attendance:

3 years or until completion of State Auditor's examination report

Secretary of State Disposition Authority Number SD51-05F-09 provides the retention period for student locator cards/class schedules:

3 years or until completion of State Auditor's examination report



ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

Our mission is to work with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

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