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Executive Summary

EXECUTIVE SUMMARY

Purpose

We performed this audit to determine whether:

Majority of Title I spending is considered instructional spending and directly impacts TUSD's students according to the Arizona Auditor General's standards.

TUSD corrected a prior Single Audit Finding, which identified that 100% of teachers were not appropriately certified.

Title I operations were efficient.

Assets purchased with Title I funding were properly accounted for.

Parent Involvement in the establishment of students' goals was formally documented.

Conclusions

Majority of all Title I spending directly impacts the students and the Title I program is functioning as intended. However, there are a few areas in need of improvement. Specifically, there is a need to:

Track separation and addition of appropriately certified teachers to determine if we are decreasing the number of classrooms without appropriately certified teachers.

Improve efficiencies of operations. For example, decrease the number of purchase requisitions sent back to office managers/principals due to various errors. This will help provide better customer service.

Improve Accountability of Assets.

Document proof of parent involvement when setting goals for each student.

Therefore, the internal auditor has provided recommendations in each Tab to address the findings. Leadership can decide to implement the recommendations provided to improve Title I operations. The internal auditor's report was issued on 10/10/16. TUSD.0bo 6 -

Purpose of Title I

Purpose of Title I

The purpose of Title I is to ensure that all children have a fair, equal and significant opportunity to obtain a high-quality education and reach, at a minimum, proficiency on challenging State academic achievement standards and State academic assessments. This purpose can be accomplished by:

1. Ensuring high-quality academic assessments, accountability systems, teacher preparation and training.
2. Meeting the needs of low-achieving children.
3. Closing the achievement gap between high and low performing children.
4. Distributing and targeting resources to areas of greatest need.
5. Significantly elevating the quality of instruction by providing staff with professional development opportunities.
6. Affording parents substantial and meaningful opportunities to participate in the education of their students.

Types of Title I Schools

TUSD has 78 Title I Schools and there are three different types of Title I Schools. Targeted Schools (Gale & Borman), School Wide 3 (75 schools), and School Wide 1 (Mary Meredith).

A *Targeted School* employs staff paid with Title I funds to serve only those students who have been identified as being most at-risk of not meeting the State's challenging standards. Multiple measures of student academic achievement are used to determine which students are eligible to participate in the program. Services to eligible students may be provided in a "pullout" setting on a limited basis, or may be provided in the regular classroom. (TUSD only has 2 Targeted schools: Gale & Borman)

School-Wide 3 Schools use Title I funds to meet the needs of all students in the school, as determined through a comprehensive needs assessment. Individual students are not identified as eligible to participate. No distinctions are made between staff paid with Title I funds and staff who are not. All school staff are expected to direct their efforts toward upgrading the entire educational program and improving the achievement of all students, particularly those who are low achieving. These schools receive Maintenance and Operations funding and Title I funding.

The *School-Wide 1 School* is very similar to School-Wide 3 Schools except Mary Meredith receives no Maintenance and Operations funding, only Title I funding.

Classroom Spending

BACKGROUND

As defined by U.S. Department of Education's National Center for Education Statistics, the classroom dollar percentage is the amount spent

Efficiencies of Operations

back for not explaining how the purchase relates to the continuous improvement plan. Then the purchase requisition was sent back again because there was no technology justification form submitted.

Reason Purchase Order Not Timely Approved			
Coding Error	Continuous Improvement Plan Relation	Technology Justification Missing	

Efficiencies of Operations

Recommendation C.5. Title I Directors should ensure Program Coordinators are reviewing and approving purchase requisitions in a timely manner.

Recommendation C6. Implement a strategy that requires more than one staff member to check for account coding errors and the need for budget modifications.

Recommendation C.7. Create a continuity binder that contains important information such as which expenses are allowed and documentation that is required when submitting a purchase order. The binder can be digital or hard copy and can add more important information over time. This can provide continuity when staff members change positions. All 78 Title I Schools should have a continuity binder.

Accountability of Assets

BACKGROUND

The inventory policy for TUSD requires that all district and federally funded items valued at \$1,000.00 or more to be physically accounted for by the site or department administrator. All new purchases valued at \$1,000.00 or more with a useful life longer than one year will be tagged with an individual iVisions asset Tag ID number. Additionally, technology equipment with a value of \$200.00 and above will be assigned a Tag ID number. Asset Management will be responsible for the distribution of the inventory listings on the \$1,000.00 and above schedule.

Receiving process. Once a new asset arrives at the Asset Management warehouse, Asset Management personnel will:

Mark the asset as “received” in iVisions.

Create and assign a property control tag number to the asset. (Tag ID)

Assign the asset to the purchasing site.

AUDIT RESULT D. ACCOUNTABILITY OF ASSETS

Condition 1. All 126 assets purchased that required a tag were properly added into iVisions and tagged with an accountability tag.

Cause. This positive condition occurred because of the following strong internal controls

Reconciliation. The Senior Accounting Manger performs periodic reviews of all purchase orders. The Senior Accounting Manager makes sure all 6700’s “OBJECT” series assets are correctly coded and determines whether the asset has shipped. If the assets have shipped the Senior Accounting Manager verifies there is a tag assigned to the asset. Additionally, the Senior Accounting Manager reconciles the General Ledger with the Asset Management System to ensure additions and totals match.

Segregation of Duties and Coordination. Technology Services is responsible for setting up all computer equipment. If Technology Services notices that the asset is not tagged Technology Services notifies Asset Management to tag the item.

Condition 2. Although all assets were properly tagged. 81 of 126 assets could not be located because there was no adequate inventory system in place. To illustrate, after laptops are tagged and assigned to a school site, there is no record of what classroom or staff member the assets are assigned to.

This negative condition occurred because of lack of the following internal controls.

Appropriate Documentation of Events. The sites did not document where or to whom the assets were assigned to.

Accountability. The sites did not ensure an individual was responsible for safeguarding assets and ensuring that all items could be properly accounted for.

Physical Control over Vulnerable Assets. TUSD has not implemented HAYES barcoding system.

Oversight. District personnel did not provide adequate oversight to ensure that site had an adequate inventory system in place.

Accountability of Assets

Impact. Properly accounting for assets reduces the opportunities for theft and loss of district property.

Recommendations.

Recommendation D.1. Implement HAYES barcoding system to ensure that the location of assets can be known.

Recommendation D.2. Note in Asset Management records who the assets were assigned to, in order to provide better accountability.

Parent Engagement

BACKGROUND

Parent Involvement is an integral part of all Title I programs. Research shows that parents play a significant role in the academic achievement of their children. Therefore, it is important for parents and each school to build ongoing dialogues to improve student achievement. Title I supports parental involvement by enlisting individual parents to help their children do well in school. Each school must have a written family engagement policy which:

Involve parents in developing the policy.

Describe how the school district will build capacity to improve academic achievement.

Describes how other federal, state, and local programs combine with Title I to provide a big picture.

Involves parents in an annual evaluation of policy to determine the policy's effectiveness.

Use findings of the evaluation to design evidence based strategies.

Written Family Engagement Policy must provide timely information to parents and provide parents with an opportunity to provide dissenting views.

A **compact** is a written agreement between schools and parents identifying responsibilities for improving student academic achievement.

CONDITION E. PARENT ENGAGEMENT

Condition. Although compacts were developed and set out goals for each student, the compact did not show parent involvement. Specifically, the compacts did not have a place for parent signature

Cause. This condition occurred because of the lack of the following internal control:

Oversight. Director of Grant and Federal Programs did not recommend that principals and teachers created compacts that documented parent involvement.

Impact. Research shows that parents play a significant role in the academic achievement of their children. Therefore, it is important for parents and schools to develop partnerships and build ongoing dialogues to improve student achievement. A signed compact will show the teacher that the parent is heavily vested in the student's success.

Recommendation.

Recommendation E. 1. Create a compact that has a place for parent signatures.