

KUUMBA ACADEMY CHARTER SCHOOL
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING
AGREED-UPON PROCEDURES
STUDENT ACCOUNTING AND ENROLLMENT
AS OF SEPTEMBER 30, 2010

Issuance Date: May 5, 2011

B E L F I N T

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CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountants' Report on Applying Agreed-Upon Procedures



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The Honorable Lillian M. Lowery, Ed.D.
Secretary, Department of Education
Townsend Building, Suite 2
401 Federal Street
Dover, DE 19901

Dr. Yamil Sanchez
Head of School
Kuumba Academy Charter School
519 North Market Street
Wilmington, DE 19801

Dear Secretary Lowery and Dr. Sanchez:

We have performed the procedures enumerated below, which were agreed to by the Department of Education (DOE) and Kuumba Academy Charter School (School) solely to assist you, the specified parties in evaluating the compliance and effectiveness of the School's internal control over compliance with *Delaware Administrative Code*, Title 14, Subsections 525, 701, and 925. Procedures were performed for student accounting and enrollment as of September 30, 2010. Management is responsible for the School's internal control over compliance with the requirements related to the above areas.

This agreed-upon procedures attestation engagement was performed in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States and the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

STUDENT ENROLLMENT

Agreed-Upon Procedure Number 1: Determine if the School's policies and procedures for preparing, reviewing and reporting the September 30 student count are adequate.

Criteria

The State of Delaware *Budget and Accounting Policy Manual* states, "Department or agency heads are responsible for establishing and maintaining an effective system of internal control." Further, the manual states, "A well designed system of controls must include written policies and procedures to ensure that each control objective is met." State of Delaware regulations provide guidance on processes it considers

Agreed-Upon Procedure Number 1 - continued:

Criteria - continued

necessary for adequate written internal controls over preparing, reviewing and reporting the September 30 student count. Additional guidance is outlined in the *DOE's Instructions for Unit Count Reporting in eSchoolPlus* dated July 2010, and the *2010 Summary of Delaware Code and Department of Education Regulations for Student Accounting for the September 30th Enrollment and Unit Computation*.

Condition

We obtained the School's written policies and procedures regarding the September 30th student count. Our review determined that the School failed to implement specific procedures regarding withdrawal forms for students withdrawing from the School during the ten-day count period. The School currently verifies withdrawn students by reviewing the "Kick List" in the Delaware Student Information System (DELSIS) and by maintaining the request of records from receiving schools or districts.

Cause

School officials were unaware the use of withdrawal forms were required by the DOE.

Effect

The School does not maintain formal documentation of exact student withdrawal dates, increasing the risk that withdrawn students are incorrectly reported to the DOE during the September 30 student count.

Recommendation: It is our recommendation that the School's current written policies and procedures be expanded to include the implementation of withdrawal forms to serve as formal documentation supporting enrollment.

School Response: The accountant's finding and statement that that Kuumba "failed to implement specific procedures regarding withdrawal forms for students withdrawing from the School during the ten-day count period" and "School officials were unaware of the use of withdrawal forms were required by DOE", respectively, are incorrect.

Our belief, in retrospect, is that there was a verbal misunderstanding of what the accountant considered a withdrawal form versus what the school considers a transfer form/request. As per our procedure, upon the receipt of a transfer request from another school, *the school records shall be forwarded to the receiving school using State mail and copies of the formal transfer request shall be filed in the school's Unit Count audit binder file*. To our understanding, the transfer form/request, of which we are aware, is the withdrawal form required by DOE and kept in our Unit Count audit binder file.

It is correct that Kuumba verifies withdrawn students by reviewing the "Kick List" in DELSIS and by maintaining the transfer request/forms from receiving schools/districts, according to our procedure, but, *additionally*, the school

Agreed-Upon Procedure Number 1 - continued:

School Response - continued: utilizes and has maintained additional supporting materials, such as a Student Detail Attendance Register Report and a Student Withdrawal Listing, both of which are in our audit binder file and list the exact date any given student was withdrawn *and*, which, thereby, serve to decrease the risk that a withdrawn student is incorrectly reported to DOE during the September 30 unit count.

The accountant's recommendation that Kuumba expand its policy and procedure to include the "implementation of *withdrawal forms* to serve as formal documentation supporting enrollment" is unclear, since our transfer form/request is our withdrawal form. It is conceded, however, that we could include in our procedure the utilization of the specific supporting documentation referenced to ensure accurate student counting. For your convenience, please find Kuumba's current procedure on this topic, which is filed in our Unit Count audit binder file, as Attachment A.

Accountant Response: Our finding and recommendation remain unchanged as the School does not require parents who are withdrawing their child to complete or sign a withdrawal form. By solely relying on the receiving school/district transfer forms to record and support the date of a student withdrawal from the School increases the risk that a student is incorrectly included in the School's September 30 student count. For example, a student who withdraws from the School, during or prior to the September 30 student count and is not recorded in eSchool as withdrawn, may be incorrectly reported in the September 30 student count if a transfer request from the receiving school/district has not yet been received. Parent signed withdrawal forms should serve as primary documentation supporting the date of a student withdrawal as recorded in eSchool and on the Full Student Register Report.

Agreed-Upon Procedure Number 2: Determine if the School properly reported enrollment figures to the DOE. Calculate the dollar impact of disallowed students, if applicable.

Criteria

Delaware Administrative Code, Title 14, Chapter 700, Subsection 701 entitled "Unit Count" mandates each school to assemble a comprehensive enrollment file that contains all necessary support materials to substantiate the enrollments reported. For students not in attendance at school during the last 10 school days of September during which students are required to be in attendance, specific information shall be on file to substantiate their inclusion in the enrollment count.

Condition

We obtained documentation from the School including attendance registers and other support to determine if students were properly included in or excluded from the enrollment figures. During our procedures, we found the School properly reported an enrollment figure of 253 students to the DOE.

Agreed-Upon Procedure Number 3: Select ten percent (10%) or a minimum of five “Individualized Education Program” (IEP) files at the School to verify that each file contains the required documentation in accordance with the DOE’s Special Education Regulations 922-929 and calculate the dollar impact of disallowed students, if applicable.

Criteria

Delaware Administrative Code, Title 14, Chapter 900, Subsection 925 entitled “Children with Disabilities Subpart D, Evaluations, Eligibility Determination, Individualized Education Programs”

Condition

We selected a total of five IEP files. All files contained the required documentation in accordance with *Delaware Administrative Code*, Title 14, Chapter 900, Subsection 925.

Agreed-Upon Procedure Number 4: Select ten percent (10%) or a minimum of five students enrolled in the Cooperative Education and Diversified Education Programs and confirm that the students’ files contain the required documentation in accordance with the DOE’s Administrative Directives and calculate the dollar impact of disallowed students, if applicable.

Criteria

Delaware Administrative Code, Title 14, Chapter 500, Subsection 525 entitled “Requirements for Career and Technical Education Programs”

Condition

The School did not provide Cooperative Education or Diversified Education Programs during the September 30, 2010, student count; therefore, these procedures were not applicable.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with specified laws. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the DOE and the School and should not be used by those who have not agreed to the procedures and have not taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record, and its distribution is not limited. This report, as required by statute, was provided to the Office of Auditor of Accounts, Office of the Governor, Office of the Controller General, Office of the Attorney General, Office of Management and Budget, the Department of Finance, and the Office of the State Treasurer.

Bellini, Lyons & Stuman, P.A.

January 25, 2011
Wilmington, Delaware

ATTACHMENT A
KUUMBA ACADEMY CHARTER SCHOOL
519 North Market Street
Wilmington, DE 19801

PROCEDURE

Subject: September 30th Unit Count: Student Transfer Notification

During the days prior to the start of a new school year and **before** the last ten days of September, students enrolled at Kuumba Academy Charter School may also appear on the enrollment roster of another school. Monitoring the names of students on the “Kick List” in DELSIS is an important tool in determining if a given student is enrolled elsewhere while also enrolled at the Kuumba.

If and when a formal transfer request from another school is received prior to the last ten days of September, the school records shall be forwarded to the receiving school using State mail.

Copies of the formal transfer requests shall be filed in the school’s Unit Count audit binder file.

The transferring student name shall be removed from the school’s enrollment roster by making the appropriate entry on the entry/withdrawal screen for the transferring student in the eSchoolPlus Pupil Accounting System

***During** the last ten days of September, prior to September 30th, the following student transfer process **must** occur:

- When enrolling a previous out-of-district resident student, **fax** the “Unit Count
- Transfer Students’ form to the student’s previous district-of-residence Unit Count
- Coordinator at the fax number for the school

Then mail a copy of the fax via State mail to the previous district-of-residence Unit Count Coordinator clearly labeling the envelope:

Name of School District (SLC Code)
Attn: Name of Unit Count Coordinator
Re: Unit Count Student Transfer

The original will be retained in the school’s Unit Count audit binder file.

Distribution of Report

Copies of this report have been distributed to the following public officials:

Executive Branch

The Honorable Jack A. Markell, Governor, State of Delaware
The Honorable Thomas J. Cook, Secretary, Department of Finance
The Honorable Ann S. Visalli, Director, Office of Management and Budget
Mr. Kristopher Knight, Director, Division of Accounting, Department of Finance
The Honorable Lillian Lowery, Ed.D., Secretary, Department of Education
Ms. Karen Field Rogers, Associate Secretary, Financial Reform and Resource Management, Department of Education
Mr. Robert Czeizinger, Director, Technology Resources and Data Development, Department of Education
Ms. Emily Falcon, Director, Financial Reform and Resource Management, Department of Education
The Honorable R. Thomas Wagner, Jr., State Auditor, Office of Auditor of Accounts

Legislative Branch

The Honorable Russell T. Larson, Controller General, Office of the Controller General

Other Elective Offices

The Honorable Joseph R. Biden, III, Attorney General, Office of the Attorney General
The Honorable Chipman Flowers, Jr., Esq., Treasurer, Office of the State Treasurer

Other

Dr. Yamil Sanchez, Head of School, Kuumba Academy Charter School

This report can be accessed online through the Auditor of Accounts (AOA) website at <http://auditor.delaware.gov>.